Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2022 (Based on J-GAAP)

November 12, 2021

Listed company: Geniee Inc. Listed stock exchange: TSE

Code No.: 6562 URL https://en.geniee.co.jp

Representative Director, President Representative: (Title/post) (Name) Tomoaki Kudo

& CEO

Contact liaison: (Title/post) CFO (Name) Jun Kikukawa TEL: +81-3-5909-8177

Schedule date of first quarter Schedule date to commence November 12, 2021

report submission: dividend payments:

Supplemental quarterly earnings summary materials created: Yes

Quarterly earnings conference held: Yes

(amounts below one million yen rounded off)

1. Consolidated earnings for the first half of FY2021 (April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

(% indicates YoY change)

	Net sales	S	Operating inc	come	Ordinary inc	ome	EBITDA		Profit attributa owners of pa	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1H FY2021	6,458	_	172	_	193	_	455	863.3	138	_
1H FY2010	6,430	(8.2)	(123)	_	(140)	_	47	_	(119)	_

(Note) As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. has been adopted from the beginning of the

fiscal year ending March 31, 2022, change in net sales is not listed due to the impact of changes in accounting standards.

(Note) Comprehensive income 1H FY 2021 143 million yen (-%)1H FY 2020 million yen (-%)

(Note) EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

	Net income per share	Diluted net income per share
	Yen	Yen
1H FY2021	7.69	7.65
1H FY2010	(6.66)	_

(Note) Although potentially dilutive shares do exist, they are not listed under diluted net income per share because they resulted in a net loss per share.

(2) Status of consolidated finances

()	ondated midness		
	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1H FY2021	6,490	2,698	41.5
FY2020	5,652	2,657	47.0

(Ref.) Shareholders' equity 1Q FY2021 2,669 million yen FY2020 2,655 million yen

2. Status of dividends

		Total annual dividends							
	End of 1Q	End of 1Q End of 2Q End of 3Q Year-end Total							
	Yen	Yen	Yen	Yen	Yen				
FY2020	_	0.00	_	0.00	0.00				
FY2021	_	0.00							
FY2021			_	_	_				
(forecast)									

(Note) Revisions since most recently announced dividend forecast: None

Dividend forecast amounts for FY2021 second quarter and end of fiscal year are not yet determined.

3. Consolidated earnings forecast for FY2021 (April 1, 2021 to March 31, 2022)

	Net Sa	les	Operating	Operating Income Ordinary Income		EBITDA		Profit attributable to owners of parent		
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
EV2021	13,425~	_	640 ~	227.1 ~	620 ~	315.5~	1,259~	114.3~	526 ~	417.1 ~
FY2021	13,739	_	840	329.3	820	449.5	1,459	148.3	665	553.8

As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. has been adopted from the beginning of the

fiscal year ending March 31, 2022, change in net sales is not listed due to the impact of changes in accounting standards.

*Notes

(1) Movement of important subsidiaries during consolidated cumulative quarter under review (movements of designated subsidiaries incidental to change in scope of consolidation): None

New companies: (Company name); Excluded companies: (Company name)

- (2) Application of special accounting treatments during the creation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, changes in accounting estimates, and restatements
 - 1) Change in accounting principles incidental to revisions to accounting standards, etc.: Yes
 - 2) Changes in accounting principles other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (4) Number of issued shares (common stock)
 - 1) Number of shares issued at end of fiscal year (including treasury stock)
 - 2) Treasury stock as of end of term
 - 3) Average number of shares during fiscal year (cumulative quarter)

1H FY2021	18,048,200	shares	FY2020	18,048,200	shares
1H FY2021	102,639	shares	FY2020	118	shares
1H FY2021	18,023,688	shares	1H FY2020	17,968,246	shares

^{*}The quarterly earnings summary is not subject to quarterly review by the public certified accountant or auditing firm.

Earnings forecasts and other forward-looking statements indicated in these materials, are based on information available and certain assumptions deemed reasonable at the time. Statements in these materials do not constitute any guarantee of actual performance. Actual business results may differ substantially due to several factors. Refer to "(3) Information on consolidated earnings forecast and other forward-looking information in 1. Qualitative information concerning quarter earnings" on page 4 of the attachment for the assumptions behind earnings forecasts and notes concerning the use thereof.

(Method of obtaining notes on quarterly financial statements)

Notes on quarterly financial statements will be published to our website on November 12, 2021.

^{*}Explanation concerning appropriate use of earnings forecasts and other special notes (Notes on forward-looking statements)

Current assets			(Thousands of yen)
Current assets 1,091,84 1,536,0 Trade accounts receivable 1,479,167 1,539,5 Trade accounts receivable and contractual assets = 1,539,5 Other 188,299 19,93,5 Allowance for doubtful accounts 32,194 35,88 Total current assets 2,727,136 3,230,0 Non-current assets 440,052 488,2 Total property, plant and equipment 440,052 488,2 Intensible assets 1,113,77 50 (south) 1,113,77 Software in progress 151,981 361,4 Total intangible assets 2,074,225 2,338,8 Investments and other assets 142,255 140,6 Other 310,923 328,7 Allowance for doubtful accounts 409,550 608,8 Total intensities and other assets 409,550 608,8 Total non-current assets 2,924,905 3,251,6 Total conserver training the assets 40,500,7 424,6 Total intensities 40,500,7 424,6 Total non-current assets		As of March 31, 2021	As of September 30, 2021
Cash and deposits 1,091,864 1,556,00 Trade accounts receivable 1,479,167 1,539,5 Other 188,299 1,933,5 Other 188,299 1,933,5 Allowance for doubtful accounts 3(2,194) 3,839,0 Non-current assets 2,727,136 3,239,0 Non-current assets 3 447,052 488,2 Intangible assets 1,025,345 1,113,7 Goodwill 1,025,345 1,113,7 Software 896,899 863,6 Software in progress 151,981 361,4 Total intangible assets 2,074,225 2,388,8 Investments and other assets 142,255 1,466 Other 310,932 328,7 Allowance for doubtful accounts 4,955,50 508,2 Total investments and other assets 4,955,50 508,2 Total investments and other assets 4,955,0 5,88 Total investments and other assets 4,955,0 4,90 Total assets 1,956,6 5,850,24 <td< th=""><th>Assets</th><th></th><th></th></td<>	Assets		
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Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Total accumulated other comprehensive income Stock acquisition rights Total net assets 2,657,329 2,698,25	•		(101,805
Valuation difference on available-for-sale securities(2,581)(79Foreign currency translation adjustment13,93417,02Total accumulated other comprehensive income11,35316,22Stock acquisition rights2,0952,42Total net assets2,657,3292,698,23	Total shareholders' equity	2,643,880	2,679,553
Foreign currency translation adjustment 13,934 17,02 Total accumulated other comprehensive income 11,353 16,22 Stock acquisition rights 2,095 2,44 Total net assets 2,657,329 2,698,23	Accumulated other comprehensive income		
Total accumulated other comprehensive income11,35316,22Stock acquisition rights2,0952,42Total net assets2,657,3292,698,23	Valuation difference on available-for-sale securities	(2,581)	(796
Total accumulated other comprehensive income11,35316,22Stock acquisition rights2,0952,42Total net assets2,657,3292,698,23	Foreign currency translation adjustment	13,934	17,026
Stock acquisition rights 2,095 2,4' Total net assets 2,657,329 2,698,25		11,353	16,229
Total net assets 2,657,329 2,698,23	•		2,473
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Consolidated Statements of Income

Consolidated Statements of Income		(TE1 1 C)
	For the fiscal year	(Thousands of yen) For the fiscal year
	ended September 30, 2020	ended September 30, 2021
Net sales	6,430,952	6,458,395
Cost of sales	5,388,638	4,776,484
Gross profit	1,042,313	1,681,910
Selling, general and administrative expenses	1,165,782	1,509,494
Operating income (loss)	(123,468)	172,415
Non-operating income		
Interest income	278	184
Foreign exchange gains	5,264	_
Gain on investment in partnership	_	43,692
Other	494	1,357
Total non-operating income	6,037	45,234
Non-operating expenses		
Interest expenses	3,558	11,010
Foreign exchange losses	_	4,864
Casualty loss	10,130	7,011
Other	9,431	1,307
Total non-operating expenses	23,121	24,194
Ordinary income (loss)	(140,552)	193,455
Extraordinary income		
Gain on reversal of subscription rights to shares	189	181
Total extraordinary income	189	181
Extraordinary losses		
Loss on retirement of noncurrent assets	_	0
Loss on sale of shares in an affiliated company	8,157	_
Special severance payment	4,304	_
Damage compensation	1,295	_
Total extraordinary losses	13,757	0
Profit (loss) before income taxes	(154,120)	193,637
Income taxes - current	3,853	52,659
Income taxes - deferred	(38,017)	2,371
Total income taxes	(34,164)	55,030
Net income (loss)	(119,955)	138,607
Loss attributable to non-controlling interests	(226)	_
Profit (loss) attributable to owners of parent	(119,728)	138,607

	(Thousands of yen)		
	For the fiscal year ended September 30, 2020	For the fiscal year ended September 30, 2021	
Cash flows from operating activities			
Profit (loss) before income taxes	(154,120)	193,637	
Depreciation and amortization	138,963	200,487	
Amortization of goodwill	31,741	82,073	
Increase (decrease) in allowance for doubtful accounts	3,130	(460	
Increase (decrease) in provision for bonuses	14,509	32,430	
Interest income	(278)	(184	
Interest expense	3,558	11,010	
Foreign exchange losses (gains)	(6,935)	(1,309	
Loss (gain) on investment in partnership	_	(43,692	
Loss (gain) on sales of stock of subsidiaries and affiliates	8,157	-	
Decrease (increase) in trade receivables	(102,658)	(50,579	
Increase (decrease) in notes and accounts payable - trade	129,379	145,376	
Other, net	8,204	27,504	
Subtotal	73,653	596,295	
Interest and dividends received	278	34,722	
Interest paid	(3,505)	(11,010	
Income taxes paid	(3,776)	(20,432	
Net cash provided by (used in) operating activities	66,650	599,574	
Cash flows from investing activities			
Purchase of property, plant and equipment	(29)	(45,535	
Purchase of intangible assets	(254,673)	(315,481	
Distributions from an investment partnership	_	10,251	
Purchase of investment in subsidiaries resulting in change in scope of consolidation	-	(167,929	
Payments for sales of investment in subsidiaries resulting in change in scope of consolidation	(838)	-	
Proceeds from long-term loans receivable	5,296	-	
Payments for lease deposit and guarantee deposit	(2,576)	(19,499	
Other, net	224	_	
Net cash provided by (used in) investing activities	(252,596)	(538,195	
Cash flows from financing activities			
Proceeds from short-term borrowings	150,000	579,000	
Repayments of short-term borrowings	(25,000)	(731,500	
Proceeds from long-term borrowings	-	800,000	
Repayments of long-term borrowings	(49,998)	(117,399	
Repayments of lease obligations	(38,532)	(45,792	
Proceeds from issuance of common stock	2,100	-	
Purchase of treasury shares	-	(101,631	
Purchase of investment in subsidiaries resulting in non-change in scope of consolidation	(5,223)	-	
Net cash provided by (used in) financing activities	33,345	382,677	
Effect of exchange rate change on cash and cash equivalents	(4,855)	2,785	
Net increase (decrease) in cash and cash equivalents	(157,456)	446,842	
Cash and cash equivalents at beginning of period	1,197,540	1,091,864	
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation		(2,611	
Cash and cash equivalents at end of period	1,040,084	1,536,094	