

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

Company name: GREENS CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6547 URL <https://www.kk-greens.jp/>
 Representative: President & Representative Director Muraki Takeya
 Director and General Manager
 Inquiries: Hiroya Ito TEL 059(351)5593
 Administration Div.
 Scheduled date to file Quarterly Securities Report: May 13, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended March 31, 2021 (from July 1, 2020 to March 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|--------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended March 31, 2021 | 11,933 | (43.2) | (6,353) | – | (6,227) | – | (6,486) | – |
| Nine months ended March 31, 2020 | 21,016 | (8.9) | (392) | – | (349) | – | (469) | – |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended March 31, 2021 | (503.72) | – |
| Nine months ended March 31, 2020 | (36.47) | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of March 31, 2021 | 18,064 | (613) | (3.4) |
| As of June 30, 2020 | 17,422 | 6,003 | 34.5 |

2. Cash dividends

| | Annual dividends per share | | | | |
|--------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended June 30, 2020 | – | 0.00 | – | 10.00 | 10.00 |
| Year ending June 30, 2021 | – | 0.00 | – | | |
| Year ending June 30, 2021 (Forecast) | | | | 0.00 | 0.00 |

3. Forecast of consolidated financial results for the year ending June 30, 2021 (from July 1, 2020 to June 30, 2021)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|---|------------------|---|-----------------|---|---|---|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | – | – | – | – | – | – | – | – | – |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended March 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: Yes
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|----------------------|-------------------|---------------------|-------------------|
| As of March 31, 2021 | 12,886,200 shares | As of June 30, 2020 | 12,886,200 shares |
|----------------------|-------------------|---------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|--------------|---------------------|--------------|
| As of March 31, 2021 | 9,742 shares | As of June 30, 2020 | 9,742 shares |
|----------------------|--------------|---------------------|--------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Nine months ended March 31, 2021 | 12,876,458 shares | Nine months ended March 31, 2020 | 12,878,155 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of June 30, 2020 | As of March 31, 2021 |
|-------------------------------------|---------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,295,298 | 4,727,086 |
| Accounts receivable - trade | 444,945 | 933,831 |
| Raw materials and supplies | 93,861 | 96,933 |
| Consumption taxes receivable | 459,533 | 270,051 |
| Other | 1,195,396 | 999,120 |
| Allowance for doubtful accounts | (410) | (1,090) |
| Total current assets | 6,488,625 | 7,025,933 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 2,417,498 | 2,378,009 |
| Tools, furniture and fixtures, net | 332,834 | 398,416 |
| Land | 1,965,426 | 1,965,426 |
| Leased assets, net | 110,200 | 136,907 |
| Construction in progress | 412 | 754 |
| Total property, plant and equipment | 4,826,373 | 4,879,514 |
| Intangible assets | 265,011 | 208,336 |
| Investments and other assets | | |
| Investment securities | 51,665 | 55,333 |
| Long-term loans receivable | 36,478 | 29,876 |
| Guarantee deposits | 5,581,170 | 5,815,905 |
| Other | 230,321 | 99,622 |
| Allowance for doubtful accounts | (57,000) | (50,000) |
| Total investments and other assets | 5,842,635 | 5,950,738 |
| Total non-current assets | 10,934,021 | 11,038,589 |
| Total assets | 17,422,646 | 18,064,523 |

(Thousands of yen)

| | As of June 30, 2020 | As of March 31, 2021 |
|---|---------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 532,599 | 757,757 |
| Short-term borrowings | 5,000,000 | 5,600,000 |
| Current portion of long-term borrowings | 731,628 | 731,628 |
| Accounts payable - other | 539,318 | 805,524 |
| Accrued expenses | 534,229 | 524,435 |
| Income taxes payable | 57,969 | 55,305 |
| Accrued consumption taxes | 4,419 | — |
| Provision for bonuses | — | 161,489 |
| Other | 259,770 | 228,079 |
| Total current liabilities | 7,659,936 | 8,864,219 |
| Non-current liabilities | | |
| Long-term borrowings | 3,054,853 | 9,006,132 |
| Asset retirement obligations | 526,374 | 549,056 |
| Other | 178,352 | 258,334 |
| Total non-current liabilities | 3,759,579 | 9,813,522 |
| Total liabilities | 11,419,515 | 18,677,742 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,948,025 | 1,948,025 |
| Capital surplus | 1,949,813 | 1,949,813 |
| Retained earnings | 2,119,758 | (4,495,161) |
| Treasury shares | (8,917) | (8,917) |
| Total shareholders' equity | 6,008,679 | (606,240) |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (5,548) | (6,979) |
| Total accumulated other comprehensive income | (5,548) | (6,979) |
| Total net assets | 6,003,130 | (613,219) |
| Total liabilities and net assets | 17,422,646 | 18,064,523 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended March 31, 2020 | Nine months ended March 31, 2021 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 21,016,494 | 11,933,493 |
| Cost of sales | 17,195,034 | 14,928,124 |
| Gross profit (loss) | 3,821,460 | (2,994,630) |
| Selling, general and administrative expenses | 4,213,571 | 3,358,605 |
| Operating loss | (392,110) | (6,353,235) |
| Non-operating income | | |
| Interest income | 679 | 535 |
| Penalty income | 22,688 | 128,247 |
| Subsidy income | — | 180,452 |
| Other | 31,581 | 27,726 |
| Total non-operating income | 54,950 | 336,961 |
| Non-operating expenses | | |
| Interest expenses | 9,781 | 30,760 |
| Borrowing fee | — | 180,597 |
| Other | 2,217 | 8 |
| Total non-operating expenses | 11,998 | 211,366 |
| Ordinary loss | (349,159) | (6,227,640) |
| Extraordinary income | | |
| Gain on sales of non-current assets | — | 37 |
| Total extraordinary income | — | 37 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 6,929 | 3,125 |
| Impairment loss | 63,093 | 11,845 |
| Total extraordinary losses | 70,023 | 14,971 |
| Loss before income taxes | (419,182) | (6,242,574) |
| Income taxes - current | 50,491 | 47,613 |
| Income taxes - deferred | — | 195,967 |
| Total income taxes | 50,491 | 243,580 |
| Loss | (469,674) | (6,486,154) |
| Loss attributable to owners of parent | (469,674) | (6,486,154) |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Nine months ended March 31, 2020 | Nine months ended March 31, 2021 |
|---|-------------------------------------|-------------------------------------|
| Loss | (469,674) | (6,486,154) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (4,113) | (1,430) |
| Total other comprehensive income | (4,113) | (1,430) |
| Comprehensive income | (473,788) | (6,487,585) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (473,788) | (6,487,585) |