

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 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: November 12, 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 three months ended September 30, 2021 (from July 1, 2021 to September 30, 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	%
Three months ended September 30, 2021	5,109	44.1	(1,404)	–	(1,405)	–	(1,412)	–
Three months ended September 30, 2020	3,545	(56.1)	(2,173)	–	(2,056)	–	(2,074)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2021	(109.67)	–
Three months ended September 30, 2020	(161.10)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	19,057	(4,386)	(23.0)
As of June 30, 2021	17,296	(2,933)	(17.0)

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, 2021	–	0.00	–	0.00	0.00
Year ending June 30, 2022	–	–	–	–	–
Year ending June 30, 2022 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

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
Six months ending December 31, 2021	–	–	–	–	–	–	–	–	–
Full year	–	–	–	–	–	–	–	–	–

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- 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 September 30, 2021	12,886,200 shares	As of June 30, 2021	12,886,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	9,742 shares	As of June 30, 2021	9,742 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2021	12,876,458 shares	Three months ended September 30, 2020	12,876,458 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	3,881,696	4,412,108
Accounts receivable - trade	894,719	1,300,685
Raw materials and supplies	100,253	104,928
Prepaid expenses	958,825	1,009,787
Consumption taxes receivable	397,849	—
Other	50,629	128,141
Allowance for doubtful accounts	(890)	(1,130)
Total current assets	6,283,084	6,954,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,230,966	2,209,319
Tools, furniture and fixtures, net	377,424	393,723
Land	1,965,426	1,815,257
Leased assets, net	142,058	175,966
Construction in progress	137,932	1,300,694
Total property, plant and equipment	4,853,809	5,894,961
Intangible assets	191,333	178,493
Investments and other assets		
Investment securities	53,327	57,105
Long-term loans receivable	27,657	25,428
Guarantee deposits	5,817,317	5,866,757
Other	119,138	127,646
Allowance for doubtful accounts	(49,000)	(47,000)
Total investments and other assets	5,968,441	6,029,938
Total non-current assets	11,013,585	12,103,393
Total assets	17,296,669	19,057,915

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	708,570	805,351
Short-term borrowings	7,600,000	9,600,000
Current portion of long-term borrowings	731,628	731,628
Accounts payable - other	571,973	614,646
Accrued expenses	546,269	539,537
Income taxes payable	43,366	91
Accrued consumption taxes	—	15,121
Provision for bonuses	—	83,594
Other	270,254	284,418
Total current liabilities	10,472,062	12,674,390
Non-current liabilities		
Long-term borrowings	8,948,225	9,937,318
Asset retirement obligations	555,845	553,663
Other	253,826	278,852
Total non-current liabilities	9,757,897	10,769,834
Total liabilities	20,229,960	23,444,224
Net assets		
Shareholders' equity		
Share capital	1,948,025	1,948,025
Capital surplus	1,949,813	1,949,813
Retained earnings	(6,812,327)	(8,268,224)
Treasury shares	(8,917)	(8,917)
Total shareholders' equity	(2,923,405)	(4,379,303)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(9,884)	(7,005)
Total accumulated other comprehensive income	(9,884)	(7,005)
Total net assets	(2,933,290)	(4,386,309)
Total liabilities and net assets	17,296,669	19,057,915

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Net sales	3,545,715	5,109,106
Cost of sales	4,812,231	5,422,699
Gross loss	(1,266,515)	(313,593)
Selling, general and administrative expenses	906,819	1,090,932
Operating loss	(2,173,334)	(1,404,526)
Non-operating income		
Interest income	193	153
Subsidy income	113,302	41,065
Other	11,315	20,090
Total non-operating income	124,812	61,309
Non-operating expenses		
Interest expenses	7,550	25,026
Commission expenses	—	17,180
Other	0	19,716
Total non-operating expenses	7,550	61,923
Ordinary loss	(2,056,072)	(1,405,140)
Extraordinary income		
Gain on sale of non-current assets	37	8,897
Total extraordinary income	37	8,897
Extraordinary losses		
Loss on retirement of non-current assets	2,487	0
Total extraordinary losses	2,487	0
Loss before income taxes	(2,058,523)	(1,396,242)
Income taxes	15,871	15,871
Loss	(2,074,394)	(1,412,113)
Loss attributable to owners of parent	(2,074,394)	(1,412,113)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Loss	(2,074,394)	(1,412,113)
Other comprehensive income		
Valuation difference on available-for-sale securities	182	2,878
Total other comprehensive income	182	2,878
Comprehensive income	(2,074,211)	(1,409,234)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,074,211)	(1,409,234)