



3rd Quarter(Apr.-Jun.'19) Financial Results, Ending September 2019 [IFRS] (Consolidated)

Aug. 14, 2019

Listed Company Name SHARINGTECHNOLOGY.INC
 Listed exchange TSE
 Code number 3989 URL <http://www.sharing-tech.jp>
 Representative (Title) Representative Director & Co-CEO (Name) Masayoshi Shino
 Nobuhiro Moriyoshi
 Contact person (Title) Director of Finance and Accounting (Name) Masayoshi Matsui (TEL) 052 (414) 6025
 Scheduled date for submission of quarterly report Aug. 14, 2019 Start of distribution of dividends (scheduled) -
 Supplementary explanation of quarterly financial results: Yes
 Quarterly Results Briefing: Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Consolidated results for the third quarter of the year ending September 2019

(October 1, 2018 – Jun. 30, 2019)

(1) Consolidated Business Results (Cumulative) (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 September 2019	5,542	97.4	(579)	-	(615)	-	(507)	-	(493)	-	(529)	-
3 rd Quarter of FY ending September 2018	2,808	-	820	-	815	-	790	-	790	-	790	-

	Quarterly earnings per share		Quarterly diluted earnings per share	
	Yen	Sen	Yen	Sen
3 rd Quarter of FY ending September 2019	(27.16)		(27.16)	
3 rd Quarter of FY ending September 2018	44.24		42.67	

(Note)1. Since the Company has prepared consolidated financial statements from the 1st quarter of consolidated fiscal period ending September 2018, the quarter-on-quarter change (from '17 to '18) is not stated.

2. As of August 6, 2018, the Company has executed a stock split at a ratio of 3 shares per common share.

Quarterly basic earnings per share and quarterly earnings per diluted share are calculated assuming that the stock split was made at the beginning of September 2018.

(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 September 2019	8,997	1,517	1,535	17.1
End of September 2018	10,204	2,033	2,038	20.0

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 September 2018		-		0.00		-		0.00		0.00
Fiscal year ending September 2019		-		0.00		-		-		-
Fiscal year ending September 2019 (forecast)						-		0.00		0.00

(Note) 1. Revisions since the most recently announced forecast of results: No

3. Consolidated earnings forecast for the period ending September 2019

(October 1, 2018 - September 30, 2019)

(% Indication is the year-on-year change from the previous term)

	Sales revenue		Operating profit		Pre-tax profit		Net income		Net income attributable to owners of the parent		Basic earnings per share	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	Yen	Sen
Full year	7,766	64.3	(560)	-	(615)	-	(520)	-	(518)	-		(28.53)

(Note) 1. Revisions since the most recently announced forecast of results: Yes

※ Note

(1) Changes in significant subsidiaries during the quarter : 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 : Yes

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 fiscal year (including treasury shares)

3Q of FY ending Sep. 2019	18,407,400 shares	Fiscal year ending Sep. 2018	181,371,100 shares
② Number of treasury shares at the end of the fiscal year	219,487 shares	Fiscal year ending Sep. 2018	219,487 shares
③ Average number of shares outstanding (Quarter-to-Date)	18,174,586 shares	3Q of FY ending Sep. 2018	17,860,411 shares

(Note) As of August 6, 2018, the Company has executed a stock split at a ratio of 3 shares per common share.

The number of issued shares at the end of the fiscal year and the average number of shares outstanding during the period are calculated assuming that the stock split was made at the beginning of September 2018.

※ 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

The Group's consolidated financial statements have adopted International Accounting standards ("IFRS") from the third quarter of FY ended September 2018 consolidated accounting period. Also, summarized quarterly consolidated financial statements for the same quarter of the previous year are also presented in accordance with IFRS.

(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.

2. Condensed Consolidated Financial Statements and Notes

(1) Condensed Quarterly Statement of Financial Position

	Previous fiscal year (September 30, 2018)	3 rd quarter consolidated accounting period (June 30, 2019)
Category	Amount (thousand yen)	Amount (thousand yen)
(Assets)		
Current assets		
Cash and cash equivalents	3,296,957	2,098,443
Trade receivables and other receivables	846,741	779,304
Inventory	845,213	876,703
Other financial assets	831,125	542,599
Other current assets	270,229	452,694
Total current assets	6,090,267	4,749,745
Non-current asset		
Property, plant and equipment	1,499,302	1,276,620
Investment property	464,003	454,887
Goodwill	619,549	619,549
Intangible asset	623,185	887,776
Other financial assets	756,397	867,421
Deferred tax asset	115,414	110,519
Other non-current assets	36,459	31,460
Total non-current assets	4,114,312	4,248,237
Total assets	10,204,579	8,997,982

	Previous fiscal year (September 30, 2018)	3 rd quarter consolidated accounting period (June 30, 2019)
Category	Amount (thousand yen)	Amount (thousand yen)
(Liabilities and Capital)		
Current Liabilities		
Operating payables and other payables	901,266	564,854
Contract liability	-	329,176
Bonds and borrowings	1,960,349	1,689,120
Corporate income tax payable etc.	13,032	39,283
Allowance	25,000	-
Other current liabilities	358,392	377,811
Total current liabilities	3,258,041	3,000,246
Non-current liabilities		
Bonds and borrowings	4,651,918	4,199,156
Other financial liabilities	10,391	12,068
Allowance	81,357	108,737
Deferred tax liabilities	155,980	145,220
Other non-current liabilities	12,967	15,357
Total non-current liabilities	4,912,615	4,480,540
Total liabilities	8,170,657	7,480,787
Capital		
Capital	670,937	674,685
Capital surplus	666,962	676,288
Treasury stock	(290,295)	(290,295)
Retained earnings	989,789	496,217
Components of other capital	955	(21,014)
Total equity attributable to owners of the parent	2,038,349	1,535,880
Non-controlling interest	(4,427)	(18,685)
Total equity	2,033,922	1,517,194
Total liabilities and equity	10,204,579	8,997,982

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

Condensed Quarterly Statement of Income

3rd Quarter Consolidated Period

	3 rd quarter YTD of previous fiscal year (From October 1, 2017 to June 30, 2018)	3 rd quarter YTD of current fiscal year (From October 1, 2018 to June 30, 2019)
Category	Amount (thousand yen)	Amount (thousand yen)
Sales revenue	2,808,120	5,542,712
Cost of sales	711,737	2,111,603
Gross profit	2,096,382	3,431,108
Selling, general and administrative expenses	2,397,734	4,155,500
Other income	1,140,963	167,474
Other expenses	19,179	22,332
Operating profit (loss)	820,430	(579,249)
Financial revenue	9,319	5,226
Financial expenses	14,351	41,005
Quarterly profit (loss) before income taxes	815,399	(615,028)
Income tax expense	25,304	(107,196)
Quarterly earnings (loss)	790,095	(507,831)
Attribution of quarterly earnings (loss)		
Owner of the parent company	790,095	(493,572)
Non-controlling interest	-	(14,258)
Total	790,095	(507,831)
Quarterly earnings per share		
Basic quarterly earnings per share (loss) (yen)	44.24	(27.16)
Quarterly earnings per diluted share (loss) (Yen)	42.67	(27.16)

Condensed Quarterly Statements of Comprehensive Income
3rd quarter YTD of current fiscal year

	3 rd quarter YTD of previous fiscal year (From October 1, 2017 to June 30, 2018)	3 rd quarter YTD of current fiscal year (From October 1, 2018 to June 30, 2019)
Category	Amount (thousand yen)	Amount (thousand yen)
Quarterly earnings (loss)	790,095	(507,831)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	-	(21,969)
Other comprehensive income after tax	-	(21,969)
Quarterly comprehensive income	790,095	(529,801)
Attribution of quarterly comprehensive income		
Owner of the parent company	790,095	(515,542)
Non-controlling interest	-	(14,258)
Total	790,095	(529,801)

(3) Condensed Quarterly Statement of Cash Flows

	3 rd quarter YTD of previous fiscal year (From October 1, 2017 to June 30, 2018)	3 rd quarter YTD of current fiscal year (From October 1, 2018 to June 30, 2019)
Category	Amount (thousand yen)	Amount (thousand yen)
Net cash provided by (used in) operating activities		
Quarterly profit (loss) before income taxes	815,399	(615,028)
Gains on acquisition of affiliates at lower price than the fair value	(1,128,339)	-
Depreciation and Amortization	68,470	138,868
Interest income and dividends received	(400)	(2,398)
Interest expense and corporate bond interest	14,351	26,057
Foreign exchange gains / losses (negative is profit)	(6,122)	7
Gains on revaluation of investment securities	-	(58,426)
Gains from sale of fixed assets	-	(45,969)
Increase (decrease) in trade receivables and other receivables (negative is increase)	(96,984)	(88,645)
Increase (decrease) in inventory assets	98,473	(31,490)
Increase (decrease) in other current assets	(7,988)	(184,764)
Increase (decrease) in operating liabilities and other obligations	284,738	26,326
Increase (decrease) of consumption tax payable etc.	-	51,841
Increase (decrease) in other current liabilities	(579,984)	20,873
Other assets and liabilities	22,486	36,164
Others	-	(27,765)
subtotal	(515,900)	(754,348)
Interest and dividend received	400	2,398
Interest paid	(15,028)	(26,345)
Income taxes (paid) refund	(200,748)	68,839
Net cash provided by (used in) operating activities	(731,276)	(709,456)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(129,169)	(37,438)
Revenue from sale of fixed assets	-	252,265
Purchase of intangible assets	(163,486)	(354,762)
Payment for business combination	(1,530,276)	-
Revenue from cancellation of insurance fund	-	125,186
Payment for insertion of guarantee deposit	(161,271)	(36,724)
Net (increase) decrease in time deposits	305,777	317,770
Payment for purchase of shares	-	(200,001)
Revenue from sale of securities	-	156,082
Others	(35,157)	13,198
Net cash provided by (used in) investing activities	(1,713,582)	235,577
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	83,400	(314,000)
Proceeds from issuance of bonds and long-term loans payable	5,421,670	1,150,000
Repayment of long-term loan payable and redemption of bonds	(1,055,045)	(1,564,390)
Proceeds from issuance of stock resulting from subscription rights to shares	-	7,405
Others	121,020	(3,643)
Net cash provided by (used in) financing activities	4,571,045	(724,629)
Increase (decrease) in cash and cash equivalents	2,126,186	(1,198,507)

Beginning balance of cash and cash equivalents	1,578,846	3,296,957
Impact of foreign exchange fluctuation on cash and cash equivalents	4,888	(7)
Cash and cash equivalents at the end of the quarter	3,709,921	2,098,443