

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023

(Based on IFRS)

August 12, 2022

Listed company:	Geniece Inc.		Listed stock exchange:	TSE
Code No.:	6562	URL	https://en.geniece.co.jp	
Representative:	(Title/post)	Representative Director, President & CEO	(Name)	Tomoaki Kudo
Contact liaison:	(Title/post)	Administration Department General Manager & CFO	(Name)	Jun Kikukawa
Schedule date of first quarter report submission:	August 12, 2022		Schedule date to commence 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 quarter of FY2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

(% indicates YoY change)

	Net sales		Gross profit		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2022	1,468	—	1,171	—	191	—	218	—	175	—	177	—	215	—
1Q FY2021	2,968	—	793	—	80	—	95	—	66	—	66	—	63	—

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY2022	10.05	10.04
1Q FY2021	3.68	3.66

(2) Status of consolidated finances

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	million yen	million yen	million yen	%
1Q FY2022	7,682	3,046	3,005	39.1
FY2021	7,615	2,840	2,798	36.7

2. Status of dividends

	Total annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	—	0.00	—	0.00	0.00
FY2022	—	—	—	—	—
FY2022 (forecast)	—	—	—	—	—

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

3. Consolidated earnings forecast for FY2022 (April 1, 2022 to March 31, 2023)

(% indicates YoY change)

	Revenue		Gross profit		Operating Income		Income before income taxes		Net income		Net income attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	(Yen)
FY2022	6,200~	—	5,200~	—	1,000~	—	900~	—	600~	—	600~	—	34.02~
	6,600	—	5,500	—	1,200	—	1,100	—	800	—	800	—	45.36

(Note) The forecast of consolidated financial results for the fiscal year ending March 31, 2023 is calculated based on International Financial Reporting Standards (IFRS), since the Company has decided to adopt IFRS on a voluntary basis from the fiscal year ending March 31, 2023. For this reason, the percentage change from the actual results for the fiscal year ended March 31, 2022, when Japanese GAAP was applied, is not shown.

(Note) From FY2022, we are changing sales of the Ad Platform Business to net sales recognition

*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.: None

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)

1Q FY2022	18,048,200 shares	FY2021	18,048,200 shares
1Q FY2022	330,339 shares	FY2021	330,339 shares
1Q FY2022	17,717,680 shares	1Q FY2021	18,048,200 shares

2) Treasury stock as of end of term

3) Average number of shares during fiscal year (cumulative quarter)

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

*Explanation concerning appropriate use of earnings forecasts and other special notes

(Notes on forward-looking statements)

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.

(Method of obtaining notes on quarterly financial statements)

Notes on quarterly financial statements will be published to our website on August 12, 2022.

Consolidated Financial Statements
Consolidated Statements of Financial Position

	(Thousands of yen)	
	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	1,476,761	1,581,766
Trade and other receivables	2,029,947	1,956,924
Inventories	468	1,024
Other financial assets	105,107	397
Other current assets	189,336	221,459
Total current assets	3,801,621	3,761,572
Non-current assets		
Property, plant and equipment	355,868	348,248
Right of use asset	235,927	209,129
Goodwill	1,530,383	1,530,383
Intangible assets	1,054,613	1,140,598
Other financial assets	497,686	565,290
Deferred tax assets	121,164	108,923
Other non-current assets	18,430	18,010
Total non-current assets	3,814,074	3,920,584
Total assets	7,615,695	7,682,156

	(Thousands of yen)	
	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Trade payables	1,635,079	1,739,154
Borrowings	1,218,425	1,106,513
Lease liabilities	155,964	111,248
Income tax payable	181,932	35,633
Other current liabilities	458,469	460,617
Total current liabilities	3,649,870	3,453,166
Non-current liabilities		
Borrowings	888,886	922,821
Lease liabilities	92,296	115,645
Provisions	144,208	144,426
Total non-current liabilities	1,125,391	1,182,893
Total liabilities	4,775,262	4,636,060
Equity		
Shareholders' equity		
Share capital	1,549,591	1,549,591
Capital surplus	1,127,353	1,131,455
Retained earnings	386,587	564,562
Treasury shares	(299,552)	(313,232)
Other components of equity	34,122	73,249
Equity attributable to owners of the parent	2,798,102	3,005,626
Non-controlling interests	42,330	40,469
Total equity	2,840,433	3,046,096
Total liabilities and equity	7,615,695	7,682,156

Consolidated Statements of Income

	(Thousands of yen)	
	For the fiscal year ended June 30, 2021	For the fiscal year ended June 30, 2022
Revenue	2,968,471	1,468,356
Cost of sales	2,175,229	296,809
Gross profit	793,241	1,171,546
Selling, general and administrative expenses	712,612	905,581
Operating income	237	176
Other revenue	361	75,086
Other expenses	80,505	191,053
Financial income	22,278	38,172
Financial expense	7,522	10,290
Income before income taxes	95,261	218,935
Income taxes	30,304	43,801
Net income	64,956	175,134
Net income attributable to:		
Owners of the parent	66,425	177,975
Non-controlling interests	(1,469)	(2,840)
Net income	64,956	175,134
Interim earnings per share		
Basic (Yen)	3.68	10.05
Diluted (Yen)	3.66	10.04

Consolidated statements of cash flows

	(Thousands of yen)	
	For the fiscal year ended June 30, 2021	For the fiscal year ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	95,261	218,935
Depreciation and amortization	143,593	139,534
Financial income	(22,278)	(38,463)
Financial expense	4,896	7,668
Decrease (increase) in trade and other receivables	137,203	109,520
Decrease (increase) in inventories	570	(538)
Increase (decrease) in trade and other receivables	(41,803)	135,490
Others	(41,013)	4,139
Subtotal	<u>276,428</u>	<u>576,286</u>
Interest and dividends received	100	0
Interest paid	(5,096)	(6,939)
Income taxes paid	(33,819)	(177,703)
Net cash provided by (used in) operating activities	<u>237,613</u>	<u>391,643</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,423)	(741)
Purchase of intangible assets	(137,775)	(152,209)
Payments for lease deposit and guarantee deposit	-	(29,036)
Others	(4)	47
Net cash provided by (used in) investing activities	<u>(182,202)</u>	<u>(181,940)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	45,000	(175,200)
Proceeds from long-term borrowings	-	200,000
Repayment of long-term debt	(53,571)	(102,777)
Repayments of lease obligations	(62,974)	(63,227)
Purchase of treasury shares	-	(14,736)
Net cash provided by (used in) financing activities	<u>(71,545)</u>	<u>(155,940)</u>
Effect of exchange rate change on cash and cash equivalents	(297)	51,242
Net increase (decrease) in cash and cash equivalents	(16,432)	105,004
Cash and cash equivalents at beginning of period	1,091,864	1,476,761
Decrease in cash and cash equivalents resulting from deconsolidation of subsidiaries	(2,611)	-
Cash and cash equivalents at end of period	<u>1,072,820</u>	<u>1,581,766</u>