

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023
(Based on IFRS)

November 10, 2022

Listed company: Geniee Inc. Listed stock exchange: TSE
 Code No.: 6562 URL <https://en.geniee.co.jp>
 Representative: (Title/post) Representative Director, President & CEO (Name) Tomoaki Kudo
 Contact liaison: (Title/post) Administration Department (Name) Jun Kikukawa TEL: +81-3-5909-8177
 General Manager & CFO
 Schedule date of first quarter report submission: November 10, 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 September 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	%
1H FY2022	3,038	—	2,425	—	440	—	467	—	332	—	327	—	391	—
1H FY2021	6,458	—	1,673	—	221	—	298	—	233	—	232	—	236	—

	Net income per share	Diluted net income per share
	Yen	Yen
1H FY2022	18.52	18.52
1H FY2021	12.90	12.83

(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	%
1H FY2022	8,625	3,209	3,172	36.8
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	—	0.00			
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) 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

(3) Number of issued shares (common stock)

1) Number of shares issued at end of fiscal year (including treasury stock)

2Q FY2022	18,048,200	shares	FY2021	18,048,200	shares
2Q FY2022	365,239	shares	FY2021	330,339	shares
2Q FY2022	17,703,242	shares	2Q FY2021	18,023,688	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 November 10, 2022.

Consolidated Financial Statements
Consolidated Statements of Financial Position

	(Thousands of yen)	
	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	1,476,761	1,711,590
Trade and other receivables	2,029,947	1,984,879
Inventories	468	1,346
Other financial assets	105,107	345
Other current assets	189,336	284,260
Total current assets	3,801,621	3,982,422
Non-current assets		
Property, plant and equipment	355,868	477,583
Right of use asset	235,927	604,433
Goodwill	1,530,383	1,628,168
Intangible assets	1,054,613	1,231,214
Other financial assets	497,686	588,161
Deferred tax assets	121,164	88,066
Other non-current assets	18,430	25,299
Total non-current assets	3,814,074	4,642,927
Total assets	7,615,695	8,625,350

	(Thousands of yen)	
	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Trade payables	1,635,079	1,678,150
Borrowings	1,218,425	1,381,297
Lease liabilities	155,964	320,922
Income tax payable	181,932	118,493
Other current liabilities	458,469	541,643
Total current liabilities	3,649,870	4,040,505
Non-current liabilities		
Borrowings	888,886	894,269
Lease liabilities	92,296	303,330
Provisions	144,208	177,597
Total non-current liabilities	1,125,391	1,375,196
Total liabilities	4,775,262	5,415,702
Equity		
Shareholders' equity		
Share capital	1,549,591	1,549,591
Capital surplus	1,127,353	1,135,376
Retained earnings	386,587	714,516
Treasury shares	(299,552)	(329,757)
Other components of equity	34,122	103,136
Equity attributable to owners of the parent	2,798,102	3,172,863
Non-controlling interests	42,330	36,784
Total equity	2,840,433	3,209,647
Total liabilities and equity	7,615,695	8,625,350

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended September 30, 2021	For the fiscal year ended September 30, 2022
Revenue	6,458,395	3,038,957
Cost of sales	4,784,789	613,469
Gross profit	1,673,605	2,425,487
Selling, general and administrative expenses	1,445,423	1,909,807
Other revenue	1,357	323
Other expenses	8,319	75,377
Operating income	221,221	440,626
Financial income	93,963	54,108
Financial expense	17,105	27,251
Income before income taxes	298,079	467,483
Income taxes	64,940	145,362
Net income	233,138	322,121
Net income attributable to:		
Owners of the parent	232,445	327,928
Non-controlling interests	692	(5,806)
Net income	233,138	322,121
Interim earnings per share		
Basic (Yen)	12.90	18.52
Diluted (Yen)	12.83	18.52

Consolidated statements of cash flows

	(Thousands of yen)	
	For the fiscal year ended September 30, 2021	For the fiscal year ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	298,079	467,483
Depreciation and amortization	292,326	298,025
Other costs	-	75,000
Financial income	(93,963)	(54,673)
Financial expense	12,240	17,724
Decrease (increase) in trade and other receivables	(44,073)	104,104
Decrease (increase) in inventories	(55)	(705)
Increase (decrease) in trade and other receivables	174,812	94,468
Others	1,505	(35,899)
Subtotal	640,870	965,528
Interest and dividends received	34,722	4,213
Interest paid	(12,440)	(14,596)
Income taxes paid	(30,191)	(175,430)
Miscellaneous expenses and other payments	-	(75,000)
Net cash provided by (used in) operating activities	632,960	704,714
Cash flows from investing activities		
Purchase of property, plant and equipment	(45,535)	(107,413)
Purchase of intangible assets	(294,381)	(313,377)
Payments for lease deposit and guarantee deposit	-	(48,610)
Proceeds from investments in capital	-	915
Purchase of investments in subsidiaries	(143,184)	(70,000)
Others	(9,248)	47
Net cash provided by (used in) investing activities	(492,349)	(538,438)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(152,500)	49,600
Proceeds from long-term borrowings	800,000	350,000
Repayment of long-term debt	(117,399)	(231,345)
Repayments of lease obligations	(125,023)	(139,146)
Purchase of treasury shares	(101,631)	(31,261)
Net cash provided by (used in) financing activities	303,445	(2,153)
Effect of exchange rate change on cash and cash equivalents	2,785	70,706
Net increase (decrease) in cash and cash equivalents	446,842	234,828
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	1,536,094	1,711,590