

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



October 28, 2022

Company name: GLOSEL Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9995
 URL: <https://www.glozel.co.jp/>
 Representative: Takefumi Ueno, President, Representative Director
 Contact: Tatsuya Takei, Senior Corporate Officer, Department Manager of Management Planning Department
 Phone: +81-3-6275-0600
 Scheduled date of filing quarterly securities report: November 14, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	33,554	5.4	1,018	227.7	1,179	225.2	926	–
September 30, 2021	31,848	18.4	310	–	362	–	(1,111)	–

(Note) Comprehensive income: For the six months ended September 30, 2022: ¥1,594 million [–%]

For the six months ended September 30, 2021: ¥(1,169) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	37.49	–
September 30, 2021	(45.59)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2022	40,123	23,599	58.8	952.97
March 31, 2022	38,682	22,280	57.6	903.01

(Reference) Equity: As of September 30, 2022: ¥23,599 million

As of March 31, 2022: ¥22,280 million

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
Fiscal year ended March 31, 2022	–	0.00	–	12.00	12.00
Fiscal year ending March 31, 2023	–	0.00			
Fiscal year ending March 31, 2023 (forecast)			–	12.00	12.00

(Note) Revision to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	66,000	(1.9)	1,300	36.4	1,400	16.7	1,170	–	47.35

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2022	26,426,800 shares
As of March 31, 2022	26,426,800 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2022	1,662,275 shares
As of March 31, 2022	1,753,245 shares

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

Six months ended September 30, 2022	24,711,524 shares
Six months ended September 30, 2021	24,381,068 shares

The total number of treasury shares at the end of the period includes the shares held in the ESOP (Employee Stock Ownership Plan) trust and board benefit trust accounts (1,288,910 shares as of September 30, 2022 and 1,379,880 shares as of March 31, 2022).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Cautionary statement with respect to forward-looking statements)

Business results forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that are deemed as reasonable, and the Company does not guarantee the realization of these statements.

Actual results may differ significantly from those statements due to various factors.

(Access to explanatory materials on quarterly financial results briefing session)

The Company is scheduled to hold a financial results briefing session for analysts and institutional investors on Thursday, November 17, 2022. The briefing materials to be used at the session will be posted on the Company's website promptly after the event.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	2,625	3,672
Notes receivable - trade	20	2
Accounts receivable - trade	14,329	14,040
Electronically recorded monetary claims - operating	1,731	1,289
Merchandise and finished goods	15,734	16,726
Raw materials	16	26
Work in process	14	34
Other	261	398
Total current assets	34,733	36,192
Non-current assets		
Property, plant and equipment		
Buildings and structures	726	728
Accumulated depreciation	(568)	(577)
Buildings and structures, net	157	151
Tools, furniture and fixtures	248	264
Accumulated depreciation	(215)	(230)
Tools, furniture and fixtures, net	32	34
Land	817	817
Leased assets	154	156
Accumulated depreciation	(97)	(113)
Leased assets, net	56	42
Other	0	0
Total property, plant and equipment	1,064	1,045
Intangible assets		
Software	94	83
Other	33	84
Total intangible assets	127	168
Investments and other assets		
Investment securities	1,908	1,923
Deferred tax assets	46	49
Other	822	766
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	2,755	2,717
Total non-current assets	3,948	3,931
Total assets	38,682	40,123

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	6,784	5,552
Short-term borrowings	6,916	8,342
Current portion of long-term borrowings	233	233
Income taxes payable	122	212
Other	1,118	1,093
Total current liabilities	15,175	15,434
Non-current liabilities		
Long-term borrowings	634	484
Retirement benefit liability	232	240
Provision for share awards	152	174
Deferred tax liabilities	62	101
Other	144	88
Total non-current liabilities	1,226	1,089
Total liabilities	16,401	16,523
Net assets		
Shareholders' equity		
Share capital	5,042	5,042
Capital surplus	4,720	4,720
Retained earnings	12,506	13,120
Treasury shares	(781)	(743)
Total shareholders' equity	21,487	22,139
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(9)
Foreign currency translation adjustment	789	1,461
Remeasurements of defined benefit plans	17	8
Total accumulated other comprehensive income	792	1,460
Total net assets	22,280	23,599
Total liabilities and net assets	38,682	40,123

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	31,848	33,554
Cost of sales	28,444	29,707
Gross profit	3,404	3,847
Selling, general and administrative expenses	3,093	2,828
Operating profit	310	1,018
Non-operating income		
Interest income	2	0
Dividend income	30	36
Sales commission	37	2
Receipt dispatch fee	8	27
Foreign exchange gains	–	147
Other	55	32
Total non-operating income	133	246
Non-operating expenses		
Interest expenses	20	53
Compensation expenses	26	22
Loss on sale of receivables	8	7
Commission for syndicated loans	0	0
Foreign exchange losses	22	–
Other	3	1
Total non-operating expenses	81	86
Ordinary profit	362	1,179
Extraordinary income		
Gain on sale of non-current assets	44	–
Total extraordinary income	44	–
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Business restructuring expenses	1,156	–
Loss on sale of membership	–	0
Total extraordinary losses	1,156	1
Profit (loss) before income taxes	(750)	1,178
Income taxes - current	59	216
Income taxes - deferred	301	35
Total income taxes	361	251
Profit (loss)	(1,111)	926
Profit attributable to		
Profit (loss) attributable to owners of parent	(1,111)	926
Other comprehensive income		
Valuation difference on available-for-sale securities	(118)	5
Foreign currency translation adjustment	93	671
Remeasurements of defined benefit plans, net of tax	(33)	(8)
Total other comprehensive income	(58)	667
Comprehensive income	(1,169)	1,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,169)	1,594