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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



January 31, 2023

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
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 Phone: +81-3-6275-0600
 Scheduled date of filing quarterly securities report: February 14, 2023
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: Not available
 Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	50,930	1.7	1,199	36.4	1,007	(1.5)	807	–
December 31, 2021	50,084	17.6	879	–	1,022	–	(680)	–

(Note) Comprehensive income: For the nine months ended December 31, 2022: ¥1,128 million [–%]

For the nine months ended December 31, 2021: ¥(513) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	32.65	–
December 31, 2021	(27.88)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2022	39,709	23,155	58.3	933.12
March 31, 2022	38,682	22,280	57.6	903.01

(Reference) Equity: As of December 31, 2022: ¥23,155 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	–	47.31

(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 December 31, 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 December 31, 2022	1,611,075 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)

Nine months ended December 31, 2022	24,732,544 shares
Nine months ended December 31, 2021	24,406,868 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 (1,237,710 shares as of December 31, 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

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.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	2,625	4,902
Notes receivable - trade	20	4
Accounts receivable - trade	14,329	13,637
Electronically recorded monetary claims - operating	1,731	1,786
Merchandise and finished goods	15,734	15,265
Raw materials	16	35
Work in process	14	39
Other	261	348
Total current assets	34,733	36,021
Non-current assets		
Property, plant and equipment		
Buildings and structures	726	590
Accumulated depreciation	(568)	(490)
Buildings and structures, net	157	100
Tools, furniture and fixtures	248	261
Accumulated depreciation	(215)	(228)
Tools, furniture and fixtures, net	32	32
Land	817	715
Leased assets	154	145
Accumulated depreciation	(97)	(113)
Leased assets, net	56	32
Other	0	0
Total property, plant and equipment	1,064	880
Intangible assets		
Software	94	82
Other	33	87
Total intangible assets	127	170
Investments and other assets		
Investment securities	1,908	1,871
Deferred tax assets	46	45
Other	822	741
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	2,755	2,636
Total non-current assets	3,948	3,688
Total assets	38,682	39,709

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	6,784	6,471
Short-term borrowings	6,916	7,583
Current portion of long-term borrowings	233	233
Income taxes payable	122	130
Provision for bonuses	–	147
Other	1,118	924
Total current liabilities	15,175	15,490
Non-current liabilities		
Long-term borrowings	634	415
Retirement benefit liability	232	243
Provision for share awards	152	185
Deferred tax liabilities	62	135
Other	144	82
Total non-current liabilities	1,226	1,063
Total liabilities	16,401	16,553
Net assets		
Shareholders' equity		
Share capital	5,042	5,042
Capital surplus	4,720	4,720
Retained earnings	12,506	13,001
Treasury shares	(781)	(722)
Total shareholders' equity	21,487	22,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(59)
Foreign currency translation adjustment	789	1,168
Remeasurements of defined benefit plans	17	4
Total accumulated other comprehensive income	792	1,113
Total net assets	22,280	23,155
Total liabilities and net assets	38,682	39,709

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	50,084	50,930
Cost of sales	44,666	45,502
Gross profit	5,417	5,427
Selling, general and administrative expenses	4,538	4,228
Operating profit	879	1,199
Non-operating income		
Interest income	2	0
Dividend income	42	47
Sales commission	81	3
Receipt dispatch fee	15	40
Other	95	56
Total non-operating income	237	149
Non-operating expenses		
Interest expenses	32	98
Compensation expenses	41	22
Loss on sale of receivables	12	12
Commission for syndicated loans	0	0
Foreign exchange losses	3	203
Other	4	3
Total non-operating expenses	94	341
Ordinary profit	1,022	1,007
Extraordinary income		
Gain on sale of non-current assets	44	74
Total extraordinary income	44	74
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Business restructuring expenses	1,154	–
Loss on valuation of investment securities	168	–
Loss on sale of membership	–	0
Total extraordinary losses	1,322	1
Profit (loss) before income taxes	(256)	1,079
Income taxes - current	107	194
Income taxes - deferred	316	77
Total income taxes	424	272
Profit (loss)	(680)	807
Profit attributable to		
Profit (loss) attributable to owners of parent	(680)	807
Other comprehensive income		
Valuation difference on available-for-sale securities	23	(44)
Foreign currency translation adjustment	194	378
Remeasurements of defined benefit plans, net of tax	(50)	(13)
Total other comprehensive income	167	321
Comprehensive income	(513)	1,128
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(513)	1,128