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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



July 28, 2023

Company name: GLOSEL Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9995
 URL: <https://www.gloسل.co.jp/>
 Representative: Takefumi Ueno, President, Representative Director
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 Scheduled date of filing quarterly securities report: August 9, 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 Three Months Ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	16,555	2.6	363	(15.0)	622	11.0	575	38.3
June 30, 2022	16,141	3.3	427	312.3	561	362.0	415	–

(Note) Comprehensive income: For the three months ended June 30, 2023: ¥962 million [17.4%]
 For the three months ended June 30, 2022: ¥820 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	20.32	–
June 30, 2022	16.84	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	38,228	25,313	66.2	892.52
March 31, 2023	37,784	24,677	65.3	872.11

(Reference) Equity: As of June 30, 2023: ¥25,313 million
 As of March 31, 2023: ¥24,677 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, 2023	–	0.00	–	12.00	12.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (forecast)		0.00	–	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, 2024 (from April 1, 2023 to March 31, 2024)

(% 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
First half	34,000	1.3	410	(59.8)	390	(66.9)	280	(69.8)	9.89
Full year	71,000	4.0	1,000	(20.6)	950	(12.1)	700	(19.7)	24.72

(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 June 30, 2023	29,526,800 shares
As of March 31, 2023	29,526,800 shares

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

As of June 30, 2023	1,165,205 shares
As of March 31, 2023	1,230,465 shares

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

Three months ended June 30, 2023	28,312,650 shares
Three months ended June 30, 2022	24,688,123 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 (1,141,750 shares as of June 30, 2023 and 1,207,010 shares as of March 31, 2023).

* 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.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,840	4,683
Notes receivable - trade	–	8
Accounts receivable - trade	12,876	12,457
Electronically recorded monetary claims - operating	1,315	1,088
Merchandise and finished goods	14,217	15,645
Raw materials	45	62
Work in process	42	27
Other	464	410
Total current assets	33,803	34,384
Non-current assets		
Property, plant and equipment		
Buildings and structures	598	601
Accumulated depreciation	(492)	(489)
Buildings and structures, net	105	112
Tools, furniture and fixtures	230	235
Accumulated depreciation	(197)	(204)
Tools, furniture and fixtures, net	32	30
Land	715	715
Leased assets	168	227
Accumulated depreciation	(133)	(154)
Leased assets, net	34	73
Other	0	–
Total property, plant and equipment	888	931
Intangible assets		
Software	155	177
Other	30	30
Total intangible assets	185	207
Investments and other assets		
Investment securities	2,178	2,006
Deferred tax assets	47	43
Other	701	676
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	2,907	2,705
Total non-current assets	3,981	3,844
Total assets	37,784	38,228

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	5,827	6,345
Short-term borrowings	4,414	3,946
Current portion of long-term borrowings	233	233
Income taxes payable	192	164
Provision for bonuses	–	153
Other	1,376	897
Total current liabilities	12,043	11,740
Non-current liabilities		
Long-term borrowings	335	266
Retirement benefit liability	294	299
Provision for share awards	194	207
Deferred tax liabilities	175	278
Other	62	123
Total non-current liabilities	1,063	1,175
Total liabilities	13,107	12,915
Net assets		
Shareholders' equity		
Share capital	5,604	5,604
Capital surplus	5,282	5,282
Retained earnings	13,066	13,287
Treasury shares	(517)	(490)
Total shareholders' equity	23,435	23,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160	192
Foreign currency translation adjustment	1,114	1,462
Remeasurements of defined benefit plans	(32)	(24)
Total accumulated other comprehensive income	1,242	1,629
Total net assets	24,677	25,313
Total liabilities and net assets	37,784	38,228

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	16,141	16,555
Cost of sales	14,320	14,750
Gross profit	1,820	1,804
Selling, general and administrative expenses	1,393	1,441
Operating profit	427	363
Non-operating income		
Interest income	0	0
Dividend income	31	27
Sales commission	2	–
Receipt dispatch fee	13	10
Foreign exchange gains	105	255
Other	16	23
Total non-operating income	170	316
Non-operating expenses		
Interest expenses	20	48
Compensation expenses	11	–
Loss on sale of receivables	3	5
Commission for syndicated loans	0	0
Other	0	2
Total non-operating expenses	36	56
Ordinary profit	561	622
Extraordinary income		
Gain on sale of investment securities	–	137
Total extraordinary income	–	137
Extraordinary losses		
Provision of allowance for doubtful accounts	4	–
Loss on retirement of non-current assets	0	0
Total extraordinary losses	5	0
Profit before income taxes	555	759
Income taxes - current	68	103
Income taxes - deferred	70	81
Total income taxes	139	184
Profit	415	575
Profit attributable to		
Profit attributable to owners of parent	415	575
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	31
Foreign currency translation adjustment	431	347
Remeasurements of defined benefit plans, net of tax	(4)	8
Total other comprehensive income	404	387
Comprehensive income	820	962
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	820	962