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September 13, 2023

Non-consolidated Financial Results for the Nine Months Ended July 31, 2023 (Under Japanese GAAP)



Company name: CellSource Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4880
 URL: <https://www.cellsource.co.jp/>
 Representative: Masato Tsumamoto, Chief Executive Officer (CEO) & Representative Director
 Inquiries: Yujiro Sugi, Executive Officer and Vice President of Corporate Unit
 Telephone: +81-3-6455-5308
 Scheduled date to file quarterly securities report: September 13, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Nine Months Ended July 31, 2023 (from November 1, 2022 to July 31, 2023)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
July 31, 2023	3,406	18.6	1,043	11.1	1,039	9.8	675	14.6
July 31, 2022	2,872	36.5	938	38.3	946	36.9	589	37.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
July 31, 2023	35.99	35.14
July 31, 2022	31.58	30.67

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
July 31, 2023	5,017	4,487	88.5
October 31, 2022	4,599	3,785	81.4

Reference: Equity
 As of July 31, 2023: 4,439 million yen
 As of October 31, 2022: 3,743 million yen

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2022	—	0.00	—	0.00	0.00
Fiscal year ending October 31, 2023	—	0.00	—		
Fiscal year ending October 31, 2023 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated Financial Result Forecasts for the Fiscal Year Ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,192	21.5	1,625	3.5	1,625	2.6	1,024	0.6	54.81

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to reasons other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of July 31, 2023	19,056,600 shares
As of October 31, 2022	18,685,800 shares

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

As of July 31, 2023	575 shares
As of October 31, 2022	575 shares

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

Nine months ended July 31, 2023	18,756,859 shares
Nine months ended July 31, 2022	18,654,760 shares

* 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)

The earnings forecasts and forward-looking statements described herein are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to be a promise by the Company to achieve them. As such, actual results may differ significantly from these forecasts due to a wide range of factors.

(Method of obtaining the supplementary material on financial results and details of the financial results briefing)

The Company plans to hold a briefing online for investors and analysts on Wednesday, September 13, 2023.

2. Quarterly Non-consolidated Financial Statements and Principal Notes

(1) Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of October 31, 2022	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	3,123,580	3,145,504
Accounts receivable - trade	657,331	469,271
Merchandise and finished goods	121,352	134,811
Work in process	23,188	35,145
Raw materials and supplies	82,482	103,338
Other	76,986	128,299
Allowance for doubtful accounts	(7,528)	(5,386)
Total current assets	4,077,393	4,010,983
Non-current assets		
Property, plant and equipment	166,262	437,308
Intangible assets	10,480	7,901
Investments and other assets		
Other	345,544	561,533
Allowance for doubtful accounts	(0)	(165)
Total investments and other assets	345,544	561,368
Total non-current assets	522,287	1,006,578
Total assets	4,599,680	5,017,561
Liabilities		
Current liabilities		
Accounts payable - trade	109,692	86,045
Income taxes payable	420,726	116,580
Provision for bonuses	24,591	26,125
Provision for bonuses for directors (and other officers)	–	2,250
Provision for loss on orders received	9	65
Other	259,129	223,575
Total current liabilities	814,149	454,642
Non-current liabilities		
Other	–	75,739
Total non-current liabilities	–	75,739
Total liabilities	814,149	530,382
Net assets		
Shareholders' equity		
Share capital	689,226	694,119
Capital surplus	599,226	604,119
Retained earnings	2,454,176	3,129,315
Treasury shares	(1,696)	(1,696)
Total shareholders' equity	3,740,933	4,425,858
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,045	13,258
Total valuation and translation adjustments	3,045	13,258
Share acquisition rights	41,552	48,061
Total net assets	3,785,531	4,487,178
Total liabilities and net assets	4,599,680	5,017,561

(2) Quarterly Non-consolidated Statements of Income
 Nine Months Ended July 31

(Thousands of yen)

	For the nine months ended July 31, 2022	For the nine months ended July 31, 2023
Net sales	2,872,987	3,406,128
Cost of sales	835,500	974,814
Gross profit	2,037,486	2,431,314
Selling, general and administrative expenses	1,098,721	1,388,100
Operating profit	938,765	1,043,213
Non-operating income		
Interest income	1	7
Foreign exchange gains	6,680	–
Subsidy income	1,775	–
Miscellaneous income	983	10,473
Total non-operating income	9,441	10,481
Non-operating expenses		
Interest expenses	11	–
Foreign exchange losses	–	8,788
Loss on investments in investment partnerships	1,507	2,017
Other	41	3,610
Total non-operating expenses	1,560	14,415
Ordinary profit	946,646	1,039,279
Extraordinary income		
Gain on sale of investment securities	–	34,816
Gain on reversal of share acquisition rights	–	8,552
Other	–	1,931
Total extraordinary income	–	45,299
Profit before income taxes	946,646	1,084,578
Income taxes - current	345,871	396,383
Income taxes - deferred	11,648	13,057
Total income taxes	357,520	409,440
Profit	589,126	675,138