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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



July 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
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 Phone: +81-3-6275-0600
 Scheduled date of filing quarterly securities report: August 10, 2022
 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, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	16,141	3.3	427	312.3	561	362.0	415	–
June 30, 2021	15,619	19.8	103	–	121	–	(216)	–

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

For the three months ended June 30, 2021: ¥(201) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	16.84	–
June 30, 2021	(8.88)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2022	40,580	22,812	56.2	922.39
March 31, 2022	38,682	22,280	57.6	903.01

(Reference) Equity: As of June 30, 2022: ¥22,812 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	–				
Fiscal year ending March 31, 2023 (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, 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
First half	30,500	(4.2)	290	(6.7)	310	(14.5)	230	–	9.32
Full year	65,000	(3.4)	755	(20.8)	750	(37.5)	570	–	23.09

(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, 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 June 30, 2022	1,694,975 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)

Three months ended June 30, 2022	24,688,123 shares
Three months ended June 30, 2021	24,350,013 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 (1,321,610 shares as of June 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.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,625	3,108
Notes receivable - trade	20	0
Accounts receivable - trade	14,329	13,160
Electronically recorded monetary claims - operating	1,731	1,587
Merchandise and finished goods	15,734	18,339
Raw materials	16	29
Work in process	14	27
Other	261	436
Total current assets	34,733	36,690
Non-current assets		
Property, plant and equipment		
Buildings and structures	726	727
Accumulated depreciation	(568)	(573)
Buildings and structures, net	157	154
Tools, furniture and fixtures	248	262
Accumulated depreciation	(215)	(232)
Tools, furniture and fixtures, net	32	30
Land	817	817
Leased assets	154	155
Accumulated depreciation	(97)	(99)
Leased assets, net	56	56
Other	0	0
Total property, plant and equipment	1,064	1,058
Intangible assets		
Software	94	88
Other	33	52
Total intangible assets	127	141
Investments and other assets		
Investment securities	1,908	1,873
Deferred tax assets	46	43
Other	822	799
Allowance for doubtful accounts	(21)	(25)
Total investments and other assets	2,755	2,690
Total non-current assets	3,948	3,889
Total assets	38,682	40,580

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	6,784	7,638
Short-term borrowings	6,916	7,601
Current portion of long-term borrowings	233	233
Income taxes payable	122	95
Provision for bonuses	-	149
Other	1,118	865
Total current liabilities	15,175	16,583
Non-current liabilities		
Long-term borrowings	634	566
Retirement benefit liability	232	237
Provision for share awards	152	165
Deferred tax liabilities	62	115
Other	144	100
Total non-current liabilities	1,226	1,184
Total liabilities	16,401	17,767
Net assets		
Shareholders' equity		
Share capital	5,042	5,042
Capital surplus	4,720	4,720
Retained earnings	12,506	12,610
Treasury shares	(781)	(757)
Total shareholders' equity	21,487	21,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(37)
Foreign currency translation adjustment	789	1,221
Remeasurements of defined benefit plans	17	13
Total accumulated other comprehensive income	792	1,197
Total net assets	22,280	22,812
Total liabilities and net assets	38,682	40,580

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

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	15,619	16,141
Cost of sales	13,954	14,320
Gross profit	1,665	1,820
Selling, general and administrative expenses	1,562	1,393
Operating profit	103	427
Non-operating income		
Interest income	0	0
Dividend income	25	31
Sales commission	36	2
Receipt dispatch fee	3	13
Foreign exchange gains	-	105
Other	20	16
Total non-operating income	87	170
Non-operating expenses		
Interest expenses	10	20
Compensation expenses	-	11
Loss on sale of receivables	4	3
Commission for syndicated loans	0	0
Foreign exchange losses	41	-
Other	13	0
Total non-operating expenses	69	36
Ordinary profit	121	561
Extraordinary losses		
Provision of allowance for doubtful accounts	-	4
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	5
Profit before income taxes	121	555
Income taxes - current	31	68
Income taxes - deferred	305	70
Total income taxes	337	139
Profit (loss)	(216)	415
Profit attributable to		
Profit (loss) attributable to owners of parent	(216)	415
Other comprehensive income		
Valuation difference on available-for-sale securities	(24)	(22)
Foreign currency translation adjustment	55	431
Remeasurements of defined benefit plans, net of tax	(16)	(4)
Total other comprehensive income	14	404
Comprehensive income	(201)	820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(201)	820