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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



October 30, 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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 Scheduled date of filing quarterly securities report: November 14, 2023
 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, 2023 (from April 1, 2023 to September 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	%
Six months ended								
September 30, 2023	35,706	6.4	626	(38.5)	885	(25.0)	793	(14.4)
September 30, 2022	33,554	5.4	1,018	227.7	1,179	225.2	926	–

(Note) Comprehensive income: For the six months ended September 30, 2023: ¥1,380 million [(13.4%)]

For the six months ended September 30, 2022: ¥1,594 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	27.99	–
September 30, 2022	37.49	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
September 30, 2023	40,704	25,746	63.3	906.64
March 31, 2023	37,784	24,677	65.3	872.11

(Reference) Equity: As of September 30, 2023: ¥25,746 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	–	0.00			
Fiscal year ending March 31, 2024 (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, 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
Full year	70,000	2.5	790	(37.3)	1,060	(1.9)	910	4.3	32.11

(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, 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 September 30, 2023	1,129,245 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)

Six months ended September 30, 2023	28,338,764 shares
Six months ended September 30, 2022	24,711,524 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 (1,105,790 shares as of September 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.

(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 Friday, November 17, 2023. 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,840	4,732
Accounts receivable - trade	12,876	14,347
Electronically recorded monetary claims - operating	1,315	1,396
Merchandise and finished goods	14,217	15,847
Raw materials	45	72
Work in process	42	14
Other	464	374
Total current assets	33,803	36,785
Non-current assets		
Property, plant and equipment		
Buildings and structures	598	603
Accumulated depreciation	(492)	(492)
Buildings and structures, net	105	110
Tools, furniture and fixtures	230	235
Accumulated depreciation	(197)	(207)
Tools, furniture and fixtures, net	32	27
Land	715	715
Leased assets	168	269
Accumulated depreciation	(133)	(169)
Leased assets, net	34	99
Other	0	-
Total property, plant and equipment	888	952
Intangible assets		
Software	155	185
Other	30	24
Total intangible assets	185	209
Investments and other assets		
Investment securities	2,178	2,077
Deferred tax assets	47	50
Other	701	649
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	2,907	2,756
Total non-current assets	3,981	3,918
Total assets	37,784	40,704

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	5,827	7,189
Short-term borrowings	4,414	5,258
Current portion of long-term borrowings	233	356
Income taxes payable	192	253
Other	1,376	926
Total current liabilities	12,043	13,984
Non-current liabilities		
Long-term borrowings	335	58
Retirement benefit liability	294	302
Provision for share awards	194	214
Deferred tax liabilities	175	255
Other	62	142
Total non-current liabilities	1,063	973
Total liabilities	13,107	14,957
Net assets		
Shareholders' equity		
Share capital	5,604	5,604
Capital surplus	5,282	5,282
Retained earnings	13,066	13,505
Treasury shares	(517)	(475)
Total shareholders' equity	23,435	23,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160	243
Foreign currency translation adjustment	1,114	1,602
Remeasurements of defined benefit plans	(32)	(16)
Total accumulated other comprehensive income	1,242	1,829
Total net assets	24,677	25,746
Total liabilities and net assets	37,784	40,704

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

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	33,554	35,706
Cost of sales	29,707	32,116
Gross profit	3,847	3,589
Selling, general and administrative expenses	2,828	2,963
Operating profit	1,018	626
Non-operating income		
Interest income	0	5
Dividend income	36	28
Sales commission	2	–
Receipt dispatch fee	27	20
Foreign exchange gains	147	308
Other	32	27
Total non-operating income	246	390
Non-operating expenses		
Interest expenses	53	91
Compensation expenses	22	–
Loss on sale of receivables	7	12
Commission for syndicated loans	0	21
Other	1	6
Total non-operating expenses	86	131
Ordinary profit	1,179	885
Extraordinary income		
Gain on sale of investment securities	–	137
Total extraordinary income	–	137
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Loss on sale of membership	0	–
Total extraordinary losses	1	0
Profit before income taxes	1,178	1,022
Income taxes - current	216	198
Income taxes - deferred	35	30
Total income taxes	251	228
Profit	926	793
Profit attributable to		
Profit attributable to owners of parent	926	793
Other comprehensive income		
Valuation difference on available-for-sale securities	5	82
Foreign currency translation adjustment	671	488
Remeasurements of defined benefit plans, net of tax	(8)	16
Total other comprehensive income	667	587
Comprehensive income	1,594	1,380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,594	1,380