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November 14, 2023

Non-consolidated Financial Results for the Three Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: Bleach, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 9162
 URL: <http://bleach.co.jp> (in Japanese)
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 Scheduled date to file quarterly securities report: November 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

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

1. Non-consolidated financial results for the three months ended September 30, 2023 (from July 1, 2023 to September 30, 2023)

(1) Non-consolidated 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	%
Three months ended								
September 30, 2023	3,766	–	158	–	112	–	78	–
September 30, 2022	–	–	–	–	–	–	–	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2023	3.12	2.94
September 30, 2022	–	–

Note: Bleach, Inc. (the “Company”) did not prepare quarterly financial statements for the three months ended September 30, 2022. Therefore, the figures and the year-on-year percentage changes for the three months ended September 30, 2022 and the year-on-year percentage changes for the three months ended September 30, 2023 are not presented.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	14,702	9,873	67.1
June 30, 2023	8,573	3,251	37.9

Reference: Equity
 As of September 30, 2023: ¥9,872 million
 As of June 30, 2023: ¥3,248 million

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 June 30, 2023	–	0.00	–	0.00	0.00
Fiscal year ending June 30, 2024	–				
Fiscal year ending June 30, 2024 (Forecast)		0.00	–	0.00	0.00

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

3. Non-consolidated earnings forecasts for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(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
Fiscal year ending June 30, 2024	20,510	25.2	2,207	1.6	2,142	(0.3)	1,349	(7.9)	53.22

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly 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: None

(ii) Changes in accounting policies due to other reasons: 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 September 30, 2023	25,453,600 shares
As of June 30, 2023	20,050,000 shares

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

As of September 30, 2023	–
As of June 30, 2023	–

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

Three months ended September 30, 2023	25,110,500 shares
Three months ended September 30, 2022	–

Note: The Company did not prepare quarterly financial statements for the three months ended September 30, 2022. Therefore, the average number of shares outstanding for the three months ended September 30, 2022 is not presented.

* 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

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable.

Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Results may differ materially from the forecasts due to various factors. Please refer to “1. Qualitative information on financial results for the three months ended September 30, 2023” on page 2 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached Material**Index**

1. Qualitative information on financial results for the three months ended September 30, 2023	2
(1) Explanation of operating results	2
(2) Explanation of financial position.....	2
(3) Explanation of earnings forecasts and other forward-looking information.....	2
2. Quarterly financial statements and significant notes thereto	3
(1) Quarterly balance sheet	3
(2) Quarterly statement of income (cumulative).....	4
(3) Notes to quarterly financial statements	5
Notes on premise of going concern	5
Notes on substantial change in the amount of shareholders' equity	5
Segment information, etc.	5

1. Qualitative information on financial results for the three months ended September 30, 2023

(1) Explanation of operating results

During the three months ended September 30, 2023, the Japanese economy remained uncertain due to the prolonged instability in Ukraine, soaring raw material prices, and the yen's depreciation, however, a macroeconomic recovery is expected due to the resumption of economic activities following the end of COVID-19 and the effects of various policies such as measures to counter high prices.

Under these circumstances, Bleach, Inc. (the "Company") worked to expand its product categories and marketing methods, and to acquire new clients in response to the continued expansion of the online BtoC market and the online advertising market, as well as the growing demand for its unique business model. In addition, in order to implement these measures, the Company strengthened its recruitment and training of human resources, mainly marketers, and expanded the scale of its business.

As a result, operating results for the three months ended September 30, 2023 were net sales of ¥3,766,353 thousand, operating profit of ¥158,817 thousand, ordinary profit of ¥112,646 thousand, and profit of ¥78,436 thousand.

Segment information is not presented because the Company operates a single segment of "sharing-type integrated marketing business."

(2) Explanation of financial position

Assets

Total assets as of September 30, 2023 were ¥14,702,789 thousand, an increase of ¥6,129,561 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥5,790,035 thousand in cash and deposits and ¥364,230 thousand in accounts receivable - trade, and a decrease of ¥71,697 thousand in advance payments to suppliers.

Liabilities

Total liabilities as of September 30, 2023 were ¥4,829,702 thousand, a decrease of ¥492,086 thousand from the end of the previous fiscal year. This was primarily due to decreases of ¥148,428 thousand in accounts payable - other and ¥180,000 thousand in long-term borrowings (including current portion), despite increases of ¥426,388 thousand in accounts payable - trade, ¥40,494 thousand in advances received and ¥35,983 thousand in accrued expenses.

Net assets

Total net assets as of September 30, 2023 were ¥9,873,086 thousand, an increase of ¥6,621,647 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥3,275,191 thousand in share capital and ¥3,275,191 thousand in capital surplus.

(3) Explanation of earnings forecasts and other forward-looking information

Regarding the non-consolidated earnings forecasts for the fiscal year ending June 30, 2024, there is no change from "Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2023" announced on August 14, 2023.

2. Quarterly financial statements and significant notes thereto

(1) Quarterly balance sheet

(Thousands of yen)

	As of June 30, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	5,902,361	11,692,396
Accounts receivable - trade	1,371,486	1,735,716
Advance payments to suppliers	863,234	791,536
Prepaid expenses	57,289	138,556
Accounts receivable - other	14,233	12,602
Other	10	20
Total current assets	8,208,614	14,370,828
Non-current assets		
Property, plant and equipment	119,152	118,254
Intangible assets	-	6,733
Investments and other assets	245,461	206,972
Total non-current assets	364,614	331,960
Total assets	8,573,228	14,702,789
Liabilities		
Current liabilities		
Accounts payable - trade	666,912	1,093,300
Current portion of long-term borrowings	720,000	720,000
Accounts payable - other	518,442	370,014
Accrued expenses	134,184	170,168
Income taxes payable	514,167	10,675
Accrued consumption taxes	189,329	56,797
Advances received	-	40,494
Provision for bonuses	42,000	10,000
Other	16,752	18,252
Total current liabilities	2,801,789	2,489,702
Non-current liabilities		
Long-term borrowings	2,520,000	2,340,000
Total non-current liabilities	2,520,000	2,340,000
Total liabilities	5,321,789	4,829,702
Net assets		
Shareholders' equity		
Share capital	100,000	3,375,191
Capital surplus	25,000	3,300,191
Retained earnings	3,086,550	3,164,986
Total shareholders' equity	3,211,550	9,840,370
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	37,016	32,149
Total valuation and translation adjustments	37,016	32,149
Share acquisition rights	2,872	566
Total net assets	3,251,439	9,873,086
Total liabilities and net assets	8,573,228	14,702,789

(2) Quarterly statement of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2023
Net sales	3,766,353
Cost of sales	3,264,230
Gross profit	502,122
Selling, general and administrative expenses	343,304
Operating profit	158,817
Non-operating income	
Interest income	36
Miscellaneous income	2,873
Total non-operating income	2,909
Non-operating expenses	
Interest expenses	6,767
Listing expenses	42,038
Other	275
Total non-operating expenses	49,081
Ordinary profit	112,646
Extraordinary income	
Gain on reversal of share acquisition rights	2,297
Total extraordinary income	2,297
Profit before income taxes	114,943
Income taxes - current	950
Income taxes - deferred	35,557
Total income taxes	36,507
Profit	78,436

(3) Notes to quarterly financial statements

Notes on premise of going concern

Not applicable.

Notes on substantial change in the amount of shareholders' equity

The Company listed its shares on the Growth Market of the Tokyo Stock Exchange on July 5, 2023. In this listing, 5,000,000 new shares were issued through a public offering (offering through book building method) with July 4, 2023 as the payment date, resulting in share capital increasing by ¥3,082,000 thousand and capital surplus increasing by ¥3,082,000 thousand.

Furthermore, 309,600 new shares were issued through a paid third-party allotment (third-party allotment linked to a secondary offering through over-allotment) with August 2, 2023 as the payment date, resulting in share capital and capital surplus both increasing by ¥190,837 thousand.

As a result, as of September 30, 2023, including the increases due to the exercise of share acquisition rights for the three months ended September 30, 2023, share capital was ¥3,375,191 thousand, and capital surplus was ¥3,300,191 thousand.

Segment information, etc.

Segment information

For the three months ended September 30, 2023

Segment information is omitted because the Company operates a single segment of sharing-type integrated marketing business.