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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



January 29, 2024

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: February 14, 2024
 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 Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	54,653	7.3	799	(33.4)	818	(18.7)	561	(30.4)
December 31, 2022	50,930	1.7	1,199	36.4	1,007	(1.5)	807	–

(Note) Comprehensive income: For the nine months ended December 31, 2023: ¥1,053 million [(6.6)%]

For the nine months ended December 31, 2022: ¥1,128 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	19.82	–
December 31, 2022	32.65	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2023	44,782	25,435	56.8	894.50
March 31, 2023	37,784	24,677	65.3	872.11

(Reference) Equity: As of December 31, 2023: ¥25,435 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)				0.00	0.00

(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	32.09

(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 December 31, 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 December 31, 2023	1,091,372 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)

Nine months ended December 31, 2023	28,360,188 shares
Nine months ended December 31, 2022	24,732,544 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 (1,067,690 shares as of December 31, 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	4,840	4,966
Accounts receivable - trade	12,876	14,990
Electronically recorded monetary claims - operating	1,315	1,288
Merchandise and finished goods	14,217	18,943
Raw materials	45	69
Work in process	42	12
Other	464	650
Total current assets	33,803	40,922
Non-current assets		
Property, plant and equipment		
Buildings and structures	598	609
Accumulated depreciation	(492)	(494)
Buildings and structures, net	105	115
Tools, furniture and fixtures	230	238
Accumulated depreciation	(197)	(210)
Tools, furniture and fixtures, net	32	27
Land	715	715
Leased assets	168	251
Accumulated depreciation	(133)	(168)
Leased assets, net	34	83
Other	0	-
Total property, plant and equipment	888	941
Intangible assets		
Software	155	175
Other	30	26
Total intangible assets	185	202
Investments and other assets		
Investment securities	2,178	2,060
Deferred tax assets	47	46
Other	701	630
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	2,907	2,716
Total non-current assets	3,981	3,860
Total assets	37,784	44,782

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	5,827	8,741
Short-term borrowings	4,414	8,308
Current portion of long-term borrowings	233	345
Income taxes payable	192	120
Provision for bonuses	–	152
Other	1,376	709
Total current liabilities	12,043	18,378
Non-current liabilities		
Long-term borrowings	335	–
Retirement benefit liability	294	306
Provision for share awards	194	227
Deferred tax liabilities	175	321
Other	62	112
Total non-current liabilities	1,063	968
Total liabilities	13,107	19,347
Net assets		
Shareholders' equity		
Share capital	5,604	5,604
Capital surplus	5,282	5,282
Retained earnings	13,066	13,274
Treasury shares	(517)	(459)
Total shareholders' equity	23,435	23,701
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160	284
Foreign currency translation adjustment	1,114	1,457
Remeasurements of defined benefit plans	(32)	(8)
Total accumulated other comprehensive income	1,242	1,733
Total net assets	24,677	25,435
Total liabilities and net assets	37,784	44,782

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	50,930	54,653
Cost of sales	45,502	49,387
Gross profit	5,427	5,265
Selling, general and administrative expenses	4,228	4,466
Operating profit	1,199	799
Non-operating income		
Interest income	0	15
Dividend income	47	39
Sales commission	3	0
Receipt dispatch fee	40	31
Foreign exchange gains	–	96
Other	56	31
Total non-operating income	149	215
Non-operating expenses		
Interest expenses	98	147
Compensation expenses	22	–
Loss on sale of receivables	12	19
Commission for syndicated loans	0	21
Foreign exchange losses	203	–
Other	3	7
Total non-operating expenses	341	196
Ordinary profit	1,007	818
Extraordinary income		
Gain on sale of non-current assets	74	–
Gain on sale of investment securities	–	137
Total extraordinary income	74	137
Extraordinary losses		
Loss on retirement of non-current assets	1	0
TOB related expenses	–	78
Loss on valuation of investment securities	–	53
Loss on sale of membership	0	–
Total extraordinary losses	1	131
Profit before income taxes	1,079	823
Income taxes - current	194	161
Income taxes - deferred	77	100
Total income taxes	272	261
Profit	807	561
Profit attributable to		
Profit attributable to owners of parent	807	561
Other comprehensive income		
Valuation difference on available-for-sale securities	(44)	123
Foreign currency translation adjustment	378	343
Remeasurements of defined benefit plans, net of tax	(13)	24
Total other comprehensive income	321	491
Comprehensive income	1,128	1,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,128	1,053