

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (Under IFRS)

August 10, 2023

Listed company: Geniee Inc.

Listed stock exchange: TSE

Code No.: 6562

URL <https://en.geniee.co.jp>

Representative: (Title/post)

Representative Director,
(Name) Tomoaki Kudo

President & CEO
Senior Executive Officer (CFO)

Contact liaison: (Title/post)

and Head of Investment
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Strategy Dept.

Schedule date of first quarter
report submission:

August 10, 2023

Schedule date to commence
dividend payments: —

Preparation of supplementary
material on financial results: Yes

Holding of financial results briefing: Yes

(for institutional investors and analysts)

(amounts below one million yen rounded off)

1. Consolidated earnings for the first quarter of FY2023(April 1, 2023 to June 30, 2023)

(1) Consolidated operating results

(% indicates YoY change)

	Net sales		Gross profit		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2023	1,795	22.3	1,372	17.2	107	△ 43.7	5	△97.6	2	△ 98.6	1	△ 99.4	791	267.9
1Q FY2022	1,468	-	1,171	-	191	-	218	-	175	-	177	-	215	-

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY2023	0.06	0.06
1Q FY2022	10.05	10.04

(2) Status of consolidated finances

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	million yen	million yen	million yen	%
1Q FY2023	18,165	5,837	5,797	31.9
FY2022	17,855	5,033	4,994	28.0

2. Status of dividends

	Total annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	—	0.00	—	0.00	0.00
FY2023	—				
FY2023 (forecast)		0.00	—	0.00	0.00

3. Consolidated earnings forecast for FY2023 (April 1, 2023 to March 31, 2024)

(% indicates YoY change)

	Revenue		Gross profit		Operating Income		Income before income taxes		Net income		Net income attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	(Yen)
FY2023	9,600	48.7	7,800	51.7	2,000	△18.6	1,900	△16.6	1,500	△28.9	1,500	△29.1	84.78

(Note) Revision of earnings forecast from the most recently announced forecast: None.

*Notes

(1) Movement of important subsidiaries during consolidated cumulative quarter under review (movements of designated subsidiaries incidental to change in scope of consolidation): None.

(2) Changes in accounting principles, changes in accounting estimates, and restatements

- 1) Change in accounting principles incidental to revisions to accounting standards, etc.: Yes
- 2) Changes in accounting principles other than 1): None
- 3) Changes in accounting estimates: None

(3) Number of issued shares (common stock)

- 1) Number of shares issued at end of fiscal year (including treasury stock)
- 2) Treasury stock as of end of term
- 3) Average number of shares during fiscal year (cumulative quarter)

1Q FY2023	18,051,200 shares	FY2022	18,048,200 shares
1Q FY2023	365,276 shares	FY2022	365,276 shares
1Q FY2023	17,683,831 shares	1Q FY2022	17,717,680 shares

*The quarterly earnings summary is not subject to quarterly review by the public certified accountant or auditing firm.

*Explanation concerning appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

Earnings forecasts and other forward-looking statements indicated in these materials, are based on information available and certain assumptions deemed reasonable at the time. Statements in these materials do not constitute any guarantee of actual performance. Actual business results may differ substantially due to several factors.

(Method of obtaining notes on quarterly financial statements)

Notes on quarterly financial statements will be published to our website on August 10, 2023.

Consolidated Financial Statements
Consolidated Statements of Financial Position

	(Thousands of yen)	
	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	2,875,883	2,317,986
Trade and other receivables	2,446,381	2,522,434
Inventories	1,012	1,289
Other financial assets	6,606	7,199
Other current assets	341,633	453,997
Total current assets	5,671,516	5,302,906
Non-current assets		
Property, plant and equipment	471,006	461,273
Right of use asset	502,184	430,862
Goodwill	9,423,377	10,092,389
Intangible assets	1,183,418	1,252,237
Other financial assets	479,582	478,473
Deferred tax assets	99,432	116,697
Other non-current assets	24,636	30,706
Total non-current assets	12,183,637	12,862,640
Total assets	17,855,154	18,165,546

	(Thousands of yen)	
	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Trade and other payables	1,828,382	1,704,609
Borrowings	7,255,607	7,215,806
Lease liabilities	356,602	344,523
Income tax payable	136,264	93,797
Other current liabilities	751,307	624,857
Total current liabilities	10,328,164	9,983,593
Non-current liabilities		
Borrowings	1,102,048	930,853
Lease liabilities	177,790	119,065
Provisions	178,167	178,453
Other financial liabilities	1,020,927	1,100,291
Other non-current liabilities	14,888	16,185
Total non-current liabilities	2,493,821	2,344,849
Total liabilities	12,821,986	12,328,443
Equity		
Shareholders' equity		
Share capital	1,549,591	1,550,941
Capital surplus	1,145,229	1,155,939
Retained earnings	2,545,093	2,546,172
Treasury shares	(329,828)	(329,828)
Other components of equity	84,765	873,836
Equity attributable to owners of the parent	4,994,852	5,797,062
Non-controlling interests	38,316	40,040
Total equity	5,033,168	5,837,103
Total liabilities and equity	17,855,154	18,165,546

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended June 30, 2022	For the fiscal year ended June 30, 2023
Revenue	1,468,356	1,795,670
Cost of sales	296,809	422,906
Gross profit	1,171,546	1,372,763
Selling, general and administrative expenses	905,581	1,266,098
Other income	176	3,314
Other expenses	75,086	2,485
Operating profit	191,053	107,494
Financial income	38,172	18,338
Financial expense	10,290	120,548
Income before income taxes	218,935	5,284
Income taxes	43,801	2,852
Net income	175,134	2,431
Net income attributable to:		
Owners of the parent	177,975	1,079
Non-controlling interests	(2,840)	1,352
Net income	175,134	2,431
Interim earnings per share		
Basic (Yen)	10.05	0.06
Diluted (Yen)	10.04	0.06

Consolidated statements of cash flows

(Thousands of yen)

	For the fiscal year ended June 30, 2022	For the fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	218,935	5,284
Depreciation and amortization	139,534	176,009
Financial income	△38,463	△18,338
Financial expense	7,668	120,548
Decrease (increase) in trade and other receivables	109,520	△151,212
Decrease (increase) in inventories	△538	△276
Increase (decrease) in trade and other receivables	135,490	△70,300
Others	4,139	△194,771
Subtotal	576,286	△133,057
Interest and dividends received	0	1,607
Interest paid	△6,939	△23,285
Income taxes paid	△177,703	△81,978
Net cash provided by (used in) operating activities	391,643	△236,713
Cash flows from investing activities		
Purchase of property, plant and equipment	△741	△1,680
Proceeds from sale of intangible assets	—	16,386
Purchase of intangible assets	△152,209	△162,221
Net decrease (increase) in short-term loans receivable	—	△227
Proceeds from sale of investment securities	—	41,247
Payments of leasehold and guarantee deposits	△29,036	△28,827
Others	47	1,151
Net cash provided by (used in) investing activities	△181,940	△134,172
Cash flows from financing activities		
Proceeds from issuance of shares	—	2,700
Net increase (decrease) in short-term loans payable	△175,200	△27,300
Proceeds from long-term borrowings	200,000	—
Repayments of long-term borrowings	△102,777	△183,696
Repayments of lease obligations	△63,227	△78,799
Purchase of treasury shares	△14,736	—
Net cash provided by (used in) financing activities	△155,940	△287,095
Effect of exchange rate change on cash and cash equivalents	51,242	100,085
Net increase (decrease) in cash and cash equivalents	105,004	△557,896
Cash and cash equivalents at beginning of period	1,476,761	2,875,883
Cash and cash equivalents at end of period	1,581,766	2,317,986