

Consolidated financial results for the six months ended September 30, 2024 (Under IFRS)

November 14, 2024

Listed company: Geniece, Inc.

Listed stock exchange: Tokyo Stock Exchange

Securities code: 6562

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

Representative: Tomoaki Kudo, Representative Director, President & CEO

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024, to September 30, 2024)

(1) Consolidated operating results (% indicates year-on-year change)

Six months ended	Revenue		Gross profit		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of parent		Comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Sep 30, 2024	5,121	36.3	3,880	34.9	1,567	77.2	1,498	115.8	1,291	101.9	1,339	110.5	615	(65.4)
Sep 30, 2023	3,758	23.7	2,877	18.6	884	100.8	694	48.5	639	98.6	636	94.0	1,781	355.1

Six months ended	Basic earnings per share	Diluted earnings per share
	yen	yen
Sep 30, 2024	83.39	83.37
Sep 30, 2023	35.97	35.95

(2) Consolidated financial position

As of	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	million yen	million yen	million yen	%
Sep 30, 2024	22,426	7,592	6,917	30.8
Mar. 31, 2024	19,197	7,290	7,248	37.8

2. Status of dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending Mar. 31, 2025	—	0.00			
Fiscal year ending Mar. 31, 2025 (Forecast)			—	0.00	0.00

(Note 1) Revision of dividend forecast from the most recently announced forecast: None

(Note 2) The above "Status of dividends" pertains to the dividends on common stock. For the dividend status of preferred stock (unlisted) with different rights from the common stock issued by the Company, please refer to the "Dividend Status of Preferred Stock" mentioned below.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024, to March 31, 2025)

(% indicates year-on-year change)

Fiscal year	Revenue		Gross profit		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
	12,000	49.8	9,100	48.2	2,500	62.4	2,400	87.9	1,800	73.9	1,800	74.4	123.19

(Note) Revision of earnings forecast from the most recently announced forecast: Yes

* Notes

(1) Significant changes in scope of consolidation during period: Yes

New: 1 company (Company Name: Social Wire Co., Ltd.) , Excluded: 0 companies

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: Yes
 2) Changes in accounting policies other than 1): None
 3) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

1) Number of issued shares at end of period
 (including treasury shares)

As of Sep 30, 2024	18,056,400 shares	As of Mar. 31, 2024	18,056,400 shares
As of Sep 30, 2024	5,951,340 shares	As of Mar. 31, 2024	346,876 shares
Six months ended Sep 30, 2024	15,816,326 shares	Six months ended Sep 30, 2023	17,686,056 shares

2) Number of treasury shares at end of period

3) Average number of shares during period

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an audit firm: None

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

(Disclaimer regarding forward-looking statements)

Earnings forecasts and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by the Group. The statements do not constitute any guarantee of actual performance by the Group. Actual results may differ substantially due to various factors.

(How to obtain supplementary material on financial results)

Supplementary material on financial results will be posted on our website on November 14, 2024.

○ Dividend Status of Preferred Stock

The breakdown of dividends per share for preferred stock with different rights from common stock is as follows.

Class A preferred stock	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 31, 2024	—	—	—	—	—
Fiscal year ending Mar. 31, 2025	—	—			
Fiscal year ending Mar. 31, 2025 (Forecast)			5.06	2.96	8.02

Condensed Quarterly Consolidated Financial Statements

Condensed Quarterly Consolidated Statements of Financial Position

(Thousands of yen)

	As of March 31, 2024	As of Sep 30, 2024
Assets		
Current assets		
Cash and cash equivalents	2,494,494	2,902,064
Trade and other receivables	3,095,464	3,541,801
Inventories	445	2,317
Other financial assets	4,287	142,096
Other current assets	349,282	465,504
Total current assets	5,943,973	7,053,784
Non-current assets		
Property, plant and equipment	445,742	604,087
Right-of-use assets	196,641	1,376,592
Goodwill	10,443,583	10,615,434
Intangible assets	1,628,478	1,998,632
Other financial assets	379,734	626,623
Deferred tax assets	130,574	95,140
Other non-current assets	28,331	55,997
Total non-current assets	13,253,086	15,372,507
Total assets	19,197,059	22,426,291

(Thousands of yen)

	As of March 31, 2024	As of Sep 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	1,909,489	2,645,753
Borrowings	1,732,004	2,114,522
Lease liabilities	115,504	445,138
Income taxes payable	219,438	183,742
Provision	—	1,601
Other current liabilities	899,901	1,317,349
Total current liabilities	4,876,337	6,708,108
Non-current liabilities		
Borrowings	6,138,420	6,916,337
Lease liabilities	82,486	973,993
Provisions	167,948	209,858
Other financial liabilities	618,735	—
Deferred tax liabilities	—	693
Other non-current liabilities	22,969	24,356
Total non-current liabilities	7,030,559	8,125,239
Total liabilities	11,906,897	14,833,348
Equity		
Share capital	1,553,336	100,000
Capital surplus	1,266,273	6,647,126
Retained earnings	3,576,991	4,916,124
Treasury shares	(402,199)	(5,328,450)
Other components of equity	1,253,975	583,083
Equity attributable to owners of parent	7,248,376	6,917,884
Non-controlling interests	41,786	675,058
Total equity	7,290,162	7,592,943
Total liabilities and equity	19,197,059	22,426,291

Condensed Quarterly Consolidated Statements of Profit or Loss

(Thousands of yen)

	Six months ended Sep 30, 2023	Six months ended Sep 30, 2024
Revenue	3,758,684	5,121,813
Cost of sales	881,263	1,241,459
Gross profit	2,877,421	3,880,353
Selling, general and administrative expenses	2,547,813	3,422,417
Other income	558,667	1,119,918
Other expenses	3,630	10,146
Operating profit	884,644	1,567,709
Equity in earnings of affiliates (loss)	—	(28,997)
Finance income	20,722	39,502
Finance costs	210,930	79,691
Profit before tax	694,436	1,498,521
Income tax expense	54,787	207,077
Profit for the period	639,649	1,291,444
Profit for the period attributable to:		
Owners of parent	636,306	1,339,133
Non-controlling interests	3,342	(47,689)
Profit for the period	639,649	1,291,444
Earnings per share		
Basic earnings per share (Yen)	35.97	83.39
Diluted earnings per share (Yen)	35.95	83.37

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended Sep 30, 2023	Six months ended Sep 30, 2024
Profit for the period	639,649	1,291,444
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	—	243
Total of items that will not be reclassified to profit or loss	—	243
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,141,709	(675,850)
Total of items that may be reclassified to profit or loss	1,141,709	(675,850)
Other comprehensive income, net of tax	1,141,709	(675,606)
Comprehensive income	1,781,358	615,838
Comprehensive income attributable to:		
Owners of parent	1,777,600	668,535
Non-controlling interests	3,757	(52,696)
Comprehensive income	1,781,358	615,838

Condensed Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended Sep 30, 2023	Six months ended Sep 30, 2024
Cash flows from operating activities		
Profit before tax	694,436	1,498,521
Depreciation and amortization	355,142	554,142
Other income	(549,682)	(1,105,206)
Equity in earnings of affiliates (profit)	—	28,997
Finance income	(20,722)	(39,502)
Finance costs	210,930	108,689
Decrease (increase) in trade and other receivables	(211,774)	(248,692)
Decrease (increase) in inventories	495	(1,453)
Increase (decrease) in trade and other payables	(104,191)	840,037
Other	(101,575)	(104,000)
Subtotal	273,057	1,531,532
Interest and dividends received	4,338	4,138
Interest paid	(45,939)	(54,217)
Corporate income taxes paid or refunded (payment)	(80,237)	(209,630)
Net cash provided by (used in) operating activities	151,218	1,271,823
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,878)	(169,796)
Purchase of intangible assets	(368,160)	(482,539)
Proceeds from sale of intangible assets	16,386	—
Net decrease (increase) in short-term loans receivable	(553)	(8,151)
Expenditure for acquisition of investment securities	—	(12,500)
Proceeds from sale of investment securities	144,982	25,000
Expenditure for business acquisition	(20,000)	(11,880)
Payments of leasehold and guarantee deposits	(67,004)	(44,210)
Proceeds from acquisition of subsidiary stock with changes in scope of consolidation	—	271,778
Proceeds from sale of subsidiary stock with changes in scope of consolidation	—	20,398
Other	1,181	—
Net cash provided by (used in) investing activities	(295,045)	(411,901)
Cash flows from financing activities		
Proceeds from issuance of shares	3,041	3,919,406
Net increase (decrease) in short-term borrowings	(45,500)	(51,956)
Proceeds from long-term borrowings	100,000	1,850,000
Repayments of long-term borrowings	(344,841)	(937,720)
Repayments of lease liabilities	(170,591)	(220,610)
Purchase of treasury shares	—	(4,945,652)
Proceeds from sale of treasury shares	—	6,321
Expenditure for acquisition of treasury stock of subsidiaries	—	(4,418)
Net cash provided by (used in) financing activities	(457,891)	(384,630)
Effect of exchange rate changes on cash and cash equivalents	132,729	(32,019)
Net increase (decrease) in cash and cash equivalents	(468,988)	443,272
Cash and cash equivalents at beginning of period	2,875,883	2,494,494
Decrease in cash and cash equivalents due to exclusion from consolidation	—	(35,701)
Cash and cash equivalents at end of period	2,406,894	2,902,064