

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023
(Based on IFRS)

February 14, 2023

Listed company: Geniee Inc.

Listed stock exchange: TSE

Code No.: 6562 URL <https://en.geniee.co.jp>

Representative: (Title/post) Representative Director, President & CEO (Name) Tomoaki Kudo

Executive Officer, CFO and

Contact liaison: (Title/post) General Manager, Corporate Planning Office (Name) Jun Kikukawa TEL: +81-3-5909-8177

Schedule date of first quarter report submission: February 14, 2023 Schedule date to commence dividend payments: —

Supplemental quarterly earnings summary materials created: Yes

Quarterly earnings conference held: Yes

(for institutional investors and analysts)

(amounts below one million yen rounded off)

1. Consolidated earnings for the first quarter of FY2022 (April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(% 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	%
3Q FY2022	4,718	—	3,766	—	802	—	841	—	630	—	635	—	646	—
3Q FY2021	10,384	—	2,653	—	478	—	590	—	462	—	460	—	474	—

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY2022	35.94	35.92
3Q FY2021	25.61	25.49

(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	%
3Q FY2022	8,626	3,469	3,432	39.8
FY2021	7,615	2,840	2,798	36.7

2. Status of dividends

	Total annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	—	0.00	—	0.00	0.00
FY2022	—	0.00			
FY2022 (forecast)				—	—

(Note) Revisions since most recently announced dividend forecast: None

Dividend forecast amount for end of fiscal 2022 is not yet determined

3. Consolidated earnings forecast for FY2022 (April 1, 2022 to March 31, 2023)

(% 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)
FY2022	6,400~	—	5,250~	—	1,050~	—	1,000~	—	750~	—	750~	—	42.38~
	6,800	—	5,550	—	1,250	—	1,200	—	1,000	—	1,000	—	56.50

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

(Note) The forecast of consolidated financial results for the fiscal year ending March 31, 2023 is calculated based on International Financial Reporting Standards (IFRS), since the Company has decided to adopt IFRS on a voluntary basis from the fiscal year ending March 31, 2023. For this reason, the percentage change from the actual results for the fiscal year ended March 31, 2022, when Japanese GAAP was applied, is not shown.

(Note) From FY2022, we are changing sales of the Ad Platform Business to net sales recognition

*Notes

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

New companies: (Company name); Excluded companies: (Company name)

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

1) Change in accounting principles incidental to revisions to accounting standards, etc.: None

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)

3Q FY2022	18,048,200 shares	FY2021	18,048,200 shares
3Q FY2022	365,239 shares	FY2021	330,339 shares
3Q FY2022	17,696,457 shares	3Q FY2021	17,997,551 shares

2) Treasury stock as of end of term

3) Average number of shares during fiscal year (cumulative quarter)

*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

(Notes on 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)

Geniee plans to hold a briefing for institutional investors on Wednesday, February 15, 2023. A video of this presentation will be posted on our website shortly after the meeting.

Consolidated Financial Statements
Consolidated Statements of Financial Position

	(Thousands of yen)	
	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	1,476,761	1,711,258
Trade and other receivables	2,029,947	1,998,064
Inventories	468	977
Other financial assets	105,107	998
Other current assets	189,336	272,973
Total current assets	3,801,621	3,984,271
Non-current assets		
Property, plant and equipment	355,868	466,938
Right of use asset	235,927	529,654
Goodwill	1,530,383	1,628,168
Intangible assets	1,054,613	1,315,814
Other financial assets	497,686	604,957
Deferred tax assets	121,164	70,569
Other non-current assets	18,430	26,437
Total non-current assets	3,814,074	4,642,540
Total assets	7,615,695	8,626,812

	(Thousands of yen)	
	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Trade payables	1,635,079	1,570,381
Borrowings	1,218,425	1,389,763
Lease liabilities	155,964	333,252
Income tax payable	181,932	59,668
Other current liabilities	458,469	557,047
Total current liabilities	3,649,870	3,910,112
Non-current liabilities		
Borrowings	888,886	844,602
Lease liabilities	92,296	223,009
Provisions	144,208	177,882
Other financial assets	-	1,630
Total non-current liabilities	1,125,391	1,247,124
Total liabilities	4,775,262	5,157,237
Equity		
Shareholders' equity		
Share capital	1,549,591	1,549,591
Capital surplus	1,127,353	1,139,907
Retained earnings	386,587	1,022,515
Treasury shares	(299,552)	(329,757)
Other components of equity	34,122	50,019
Equity attributable to owners of the parent	2,798,102	3,432,276
Non-controlling interests	42,330	37,298
Total equity	2,840,433	3,469,575
Total liabilities and equity	7,615,695	8,626,812

Consolidated Statements of Income

	(Thousands of yen)	
	For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022
Revenue	10,384,020	4,718,094
Cost of sales	7,730,646	951,493
Gross profit	2,653,373	3,766,600
Selling, general and administrative expenses	2,167,874	2,917,941
Other revenue	2,230	20,372
Other expenses	9,023	76,348
Operating income	478,707	802,683
Financial income	133,841	79,986
Financial expense	22,081	40,861
Income before income taxes	590,466	841,808
Income taxes	128,086	210,942
Net income	462,380	630,866
Net income attributable to:		
Owners of the parent	460,997	635,927
Non-controlling interests	1,382	(5,061)
Net income	462,380	630,866
Interim earnings per share		
Basic (Yen)	25.61	35.94
Diluted (Yen)	25.49	35.92

Consolidated statements of cash flows

(Thousands of yen)

	For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	590,466	841,808
Depreciation and amortization	448,808	467,088
Other costs	-	75,000
Financial income	(133,841)	(79,986)
Financial expense	18,238	40,861
Decrease (increase) in trade and other receivables	(480,743)	56,975
Decrease (increase) in inventories	242	(508)
Increase (decrease) in trade and other receivables	491,725	(46,317)
Others	(66,307)	31,254
Subtotal	868,588	1,386,177
Interest and dividends received	34,809	9,974
Interest paid	(18,438)	(23,830)
Income taxes paid	(65,825)	(282,459)
Miscellaneous expenses and other payments	-	(75,000)
Net cash provided by (used in) operating activities	819,133	1,014,862
Cash flows from investing activities		
Purchase of property, plant and equipment	(45,570)	(108,365)
Purchase of intangible assets	(450,851)	(472,816)
Payments for lease deposit and guarantee deposit	-	(47,923)
Proceeds from investments in capital	-	2,164
Purchase of investments in subsidiaries	(143,184)	(70,000)
Others	(6,716)	47
Net cash provided by (used in) investing activities	(646,323)	(696,894)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(226,500)	32,800
Proceeds from long-term borrowings	800,000	450,000
Repayment of long-term debt	(217,635)	(355,746)
Repayments of lease obligations	(184,656)	(213,892)
Purchase of treasury shares	(101,631)	(31,261)
Net cash provided by (used in) financing activities	69,576	(118,099)
Effect of exchange rate change on cash and cash equivalents	11,812	34,627
Net increase (decrease) in cash and cash equivalents	254,199	234,496
Cash and cash equivalents at beginning of period	1,091,864	1,476,761
Decrease in cash and cash equivalents resulting from deconsolidation of subsidiaries	(2,611)	-
Cash and cash equivalents at end of period	1,343,452	1,711,258