



First Quarter of FY03/2024 Materials for Financial Results Briefing

August 03, 2023

GL Sciences Inc.

TSE STD (7705)

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Highlights

1

【company-wide】

Lower revenues / Lower earnings

Net sales:	8,181 mil. yen	- 3.9%	- 333 mil. yen (prev. 1Q: 8,514 mil. yen)
Operating profit:	1,079 mil. yen	- 14.7%	- 185 mil. yen (prev. 1Q: 1,264 mil. yen)

2

【Analytical Equipment Business】

Higher revenues / Higher earnings

Net sales:	3,740 mil. yen	+3.1%	+112 mil. yen (prev. 1Q: 3,627 mil. yen)
Operating profit:	303 mil. yen	+6.3%	+17 mil. yen (prev. 1Q: 285 mil. yen)

Sales of columns for liquid chromatograph and products related to inorganic chemistry showed good results

3

【Semiconductor Business】

Lower revenues / Lower earnings

Net sales:	4,011 mil. yen	- 13.0%	- 597 mil. yen (prev. 1Q: 4,608 mil. yen)
Operating profit:	754 mil. yen	- 24.3%	- 241 mil. yen (prev. 1Q: 996 mil. yen)

Demand for semiconductors used for PCs and smartphones dropped, and excessive stock of memories also caused the same

4


【Automatic Recognition Business】

Higher revenues / Higher earnings

Net sales:	430 mil. yen	+54.6%	+151 mil. yen (prev. 1Q: 278 mil. yen)
Operating profit:	20 mil. yen	--	+39 mil. yen (prev. 1Q: -18 mil. yen)

Insufficient supply of electronic components is turning to improvement

Integration of modules into residential facilities and medical instruments maintained steady growth



Financial results overview

1Q of FY03/2024

(company-wide)

Financial results overview (company-wide)



1Q of FY03/2024

Lower revenues / Lower earnings

【Analytical Equipment Business】

Higher revenues / Higher earnings

Sales of columns for liquid chromatograph and products related to inorganic chemistry showed good results

【Semiconductor Business】

Lower revenues / Lower earnings

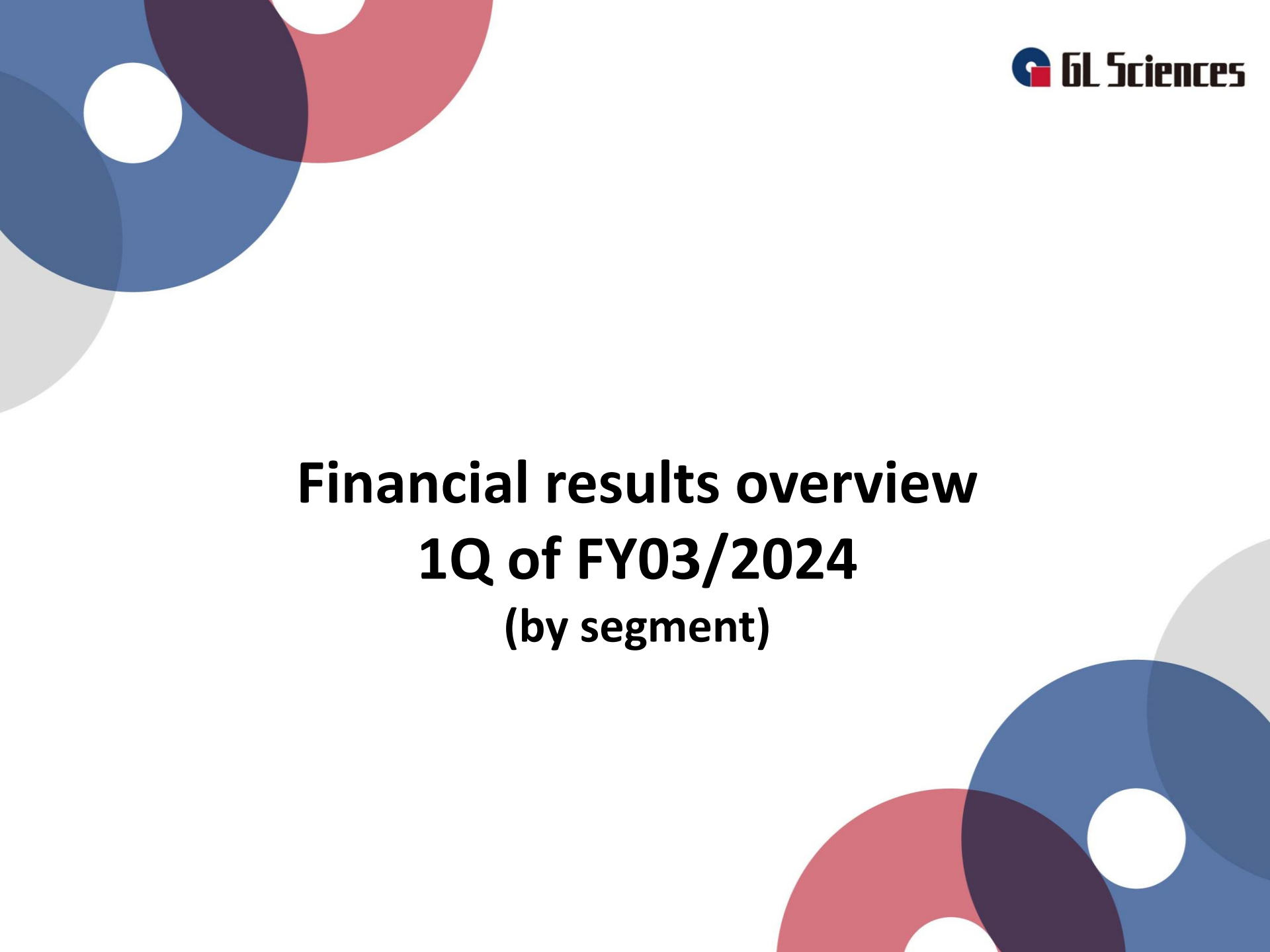
Demand for semiconductors used for PCs and smartphones dropped, and excessive stock of memories also caused the same

【Automatic Recognition Business】

Higher revenues / Higher earnings

Insufficient supply of electronic components is turning to improvement; and integration of modules into residential facilities and medical instruments maintained steady growth

(mil. yen)	FY03/2023 1Q	FY03/2024 1Q	+/- %	+/- amount
Net sales	8,514	8,181	- 3.9%	- 333
Operating profit (Operating profit rate)	1,264 (14.9%)	1,079 (13.2%)	- 14.7% (N/A)	- 185 (- 1.7pt)
Ordinary profit	1,510	1,214	- 19.6%	- 296
Net profit attributable to owners of parent	750	672	- 10.3%	- 77



Financial results overview

1Q of FY03/2024

(by segment)

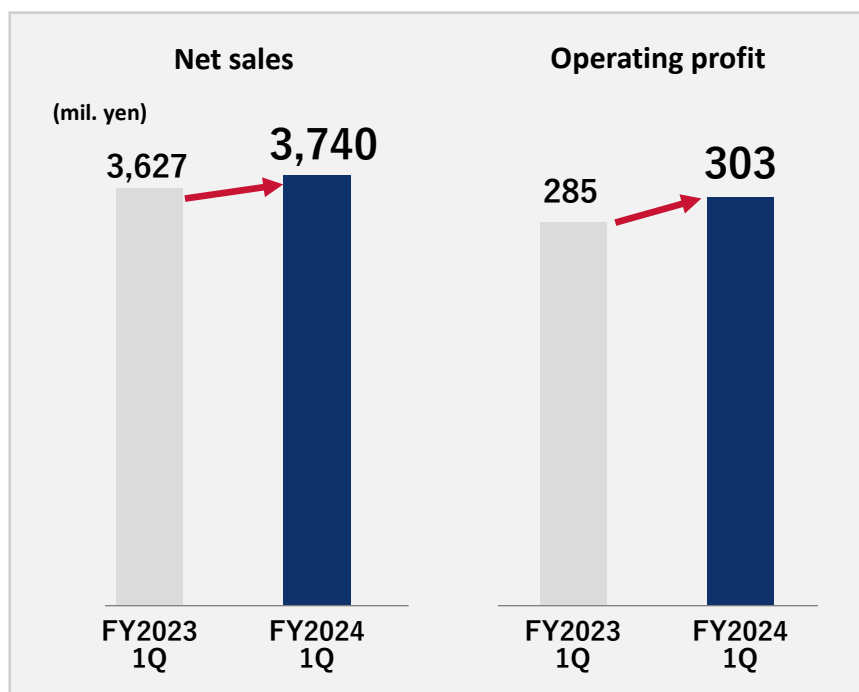
Financial results overview (by segment)

Analytical Equipment Business

1Q of FY03/2024

Higher revenues / Higher earnings

(mil. yen)	FY03/2023 1Q	FY03/2024 1Q	+/- %	+/- amount
Net sales	3,627	3,740	+3.1%	+112
Operating profit	285	303	+ 6.3%	+ 17



Factors, etc.

< Domestic net sales >

POSITIVE FACTORS

【Higher revenues from consumables】

- ◎ Sales of columns for liquid chromatograph and products related to inorganic chemistry showed good results
- Order-taking of instruments is going strong, but impacts of prolonged delivery terms of third-party instruments resulted in lower revenues

< Overseas net sales >

POSITIVE FACTORS

- ◎ Demand for consumables for analysis has been expanding, with no influence of COVID-19 pandemic
- ◎ Sales of columns for liquid chromatograph used by pharmaceutical companies and OEM products for overseas companies are going strong (especially in Asia, Europe and Middle East)

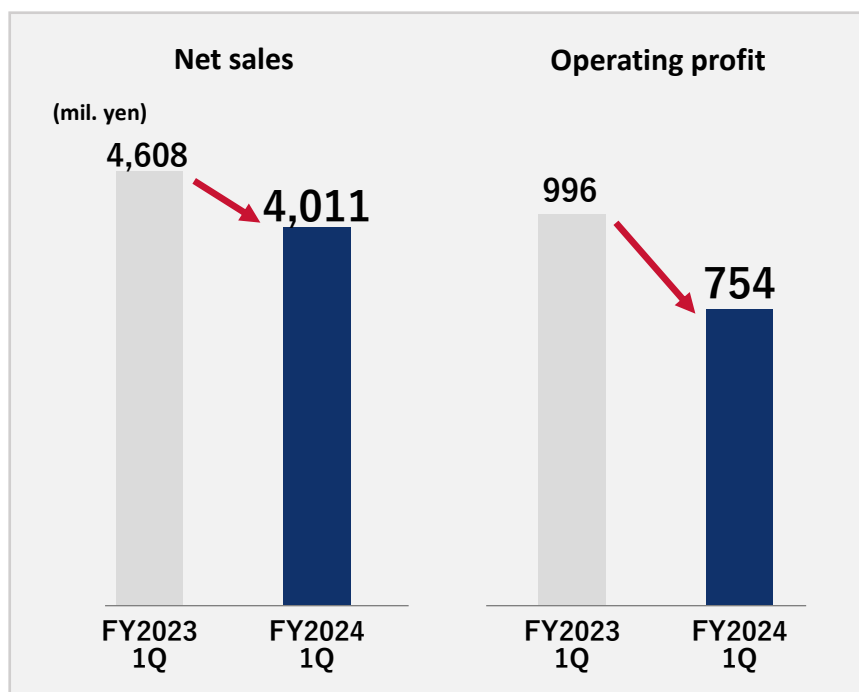
Financial results overview (by segment)

Semiconductor Business

1Q of FY03/2024

Lower revenues / Lower earnings

(mil. yen)	FY03/2023 1Q	FY03/2024 1Q	+/- %	+/- amount
Net sales	4,608	4,011	- 13.0%	- 597
Operating profit	996	754	- 24.3%	- 241



Factors, etc.

NEGATIVE FACTORS

【Demand drop】

Demand for semiconductors used for PCs and smartphones dropped, and excessive stock of memories also caused the same

POSITIVE FACTORS

【Market trends】

Proactive capital investment such as constructing new/additional factories
Semiconductor market is expected to expand against the backdrop of underlying strong potential demands

【Order backlog】

High level of order backlog is maintained

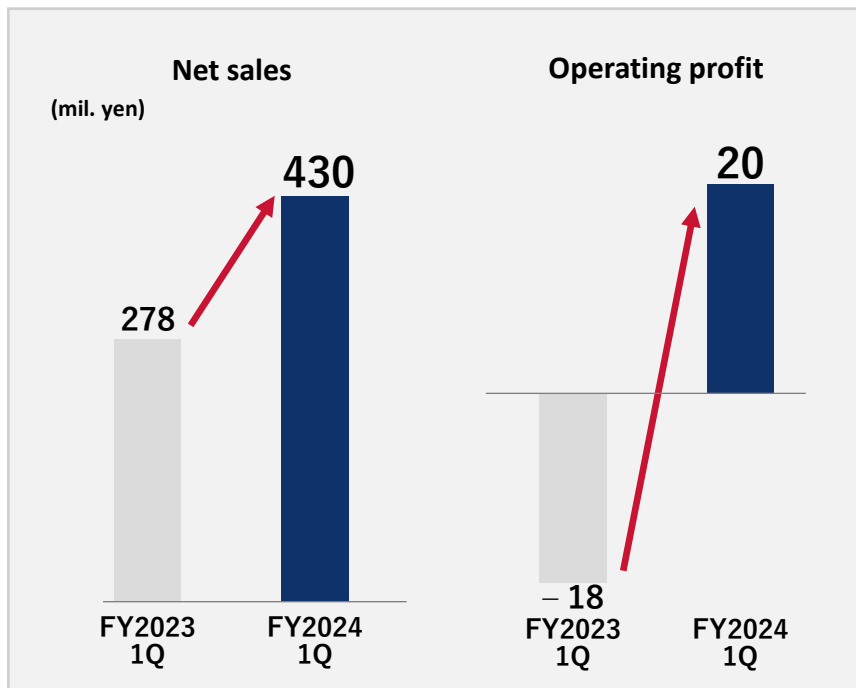
Financial results overview (by segment)

Automatic Recognition Business

1Q of FY03/2024

Higher revenues / Higher earnings

(mil. yen)	FY03/2023 1Q	FY03/2024 1Q	+/- %	+/- amount
Net sales	278	430	+54.6%	+151
Operating profit	- 18	20	--	+39



Factors, etc.

All the subsegments of “modules”, “finished products”, “tags”, and “solutions” achieved higher revenues

POSITIVE FACTORS

【Trend towards improvement】

- FY2023: Profit was suppressed due to insufficient supply of electronic components
- FY2024: Procurement is turning to improvement

【Steady growth】

- Integration of modules into residential facilities and medical instruments maintained steady growth

【Active promotion】

- Security solutions for major sports facilities and solutions for parking markets are newly employed

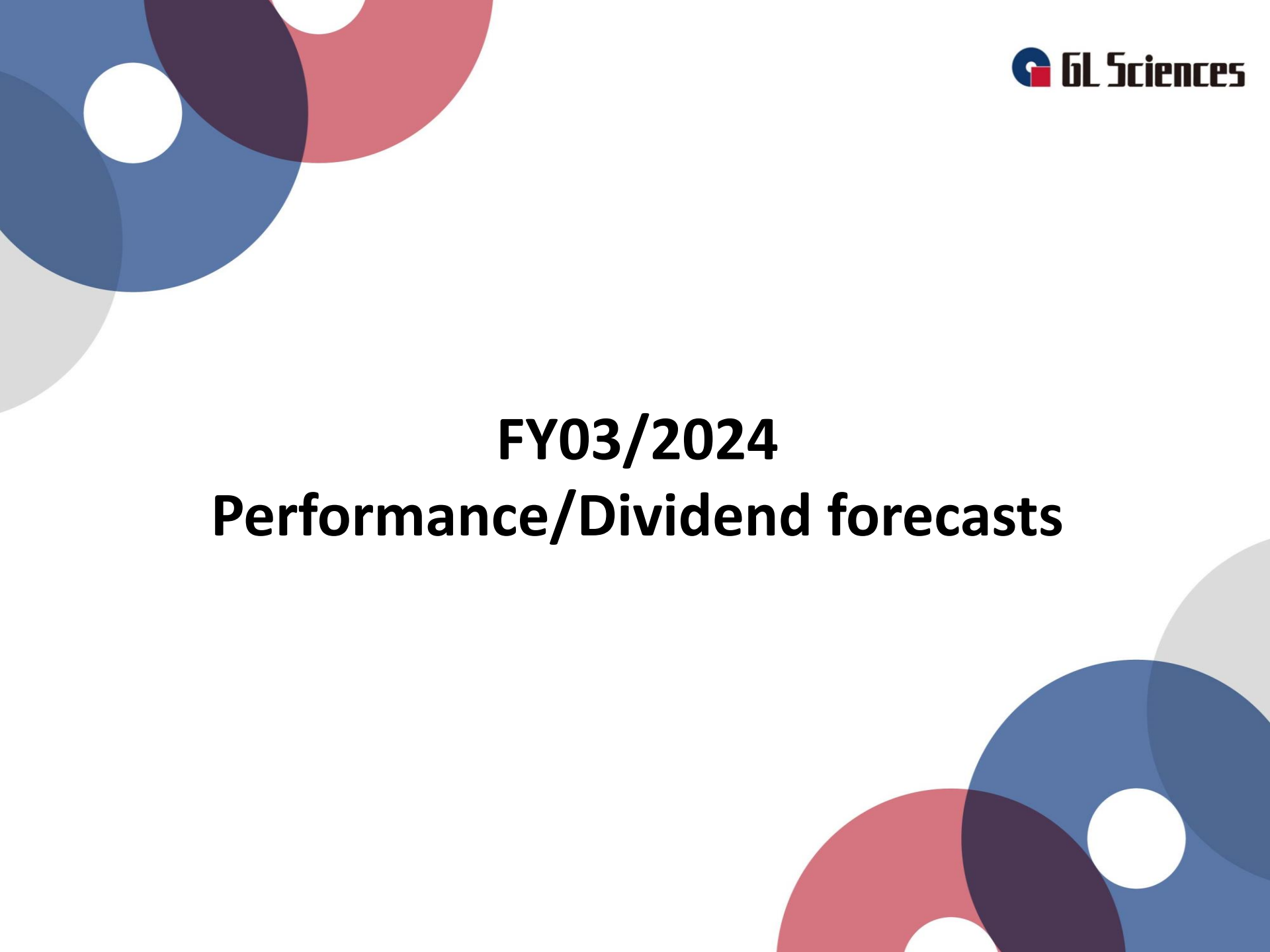
Measures and progress

1Q of FY03/2024

Measures

Progress in 1Q

	Measures	Progress in 1Q
Analytical Equipment Business	<ul style="list-style-type: none"> To strengthen sales of LC columns 	<ul style="list-style-type: none"> Our lineup has been enhanced → It became possible to offer more proper columns in, for example, technical consultations
	<ul style="list-style-type: none"> To expand business areas in relation to the next-generation energies and carbon-neutral technologies 	<ul style="list-style-type: none"> Sales is going strong: E.g. systems for analyzing hydrogen/nitrogen/ammonia in researches into ammonia synthesis process used for energy carriers and fuels
Semiconductor Business	<ul style="list-style-type: none"> To respond to the control over export to China by the USA 	<ul style="list-style-type: none"> For products made by Techno Quartz Inc., currently there are only limited impacts by such export control As a measure to expand demands in China, sales activities are promoted targeting makers of manufacturing equipment of semiconductors in China in preparation for risks of stricter regulations in the future
Automatic Recognition Business	<ul style="list-style-type: none"> To put devices equipped with secure microcomputers to market 	<ul style="list-style-type: none"> Development of such equipment is complete → Mass production and delivery started (for use in transport and finance)
	<ul style="list-style-type: none"> To start providing solutions targeted at parking markets 	<ul style="list-style-type: none"> Development of prototype is complete → Prototype has been delivered and field tests in the market environment started



FY03/2024

Performance/Dividend forecasts

Performance forecasts: FY03/2024 (company-wide)



1Q of FY03/2024

(forecasts)

Lower revenues / Lower earnings

(mil. yen)	FY03/2023 1Q	FY03/2024 1Q (forecasts)	+/- %	+/- amount
Net sales	38,679	38,240	- 1.1%	- 439
Operating profit	6,034	5,650	- 6.4%	- 384
Operating profit rate	15.6%	14.8%	-	- 0.8pt
Ordinary profit	6,468	5,710	- 11.7%	- 758
Net profit attributable to owners of parent	3,499	3,150	- 10.0%	- 349
Annual dividend (yen)	65	60	-	- 5

Performance forecasts: FY03/2024 (by segment)



1Q of FY03/2024

(mil. yen)		FY03/2023 1Q	FY03/2024 1Q (forecasts)	+/- %	+/- amount
Analytical Equipment Business	Net sales	17,163	17,530	2.1%	366
	Operating profit	1,888	1,880	- 0.5%	- 8
Semiconductor Business	Net sales	20,003	18,930	- 5.4%	- 1,073
	Operating profit	4,068	3,660	- 10.0%	- 408
Automatic Recognition Business	Net sales	1,513	1,780	17.6%	266
	Operating profit	67	110	62.3%	42

Most recent topics

Topic ① (Analytical Equipment Business)

1Q of FY03/2024

Participation

Participation in the JASIS2023 online exhibition named “WebExpo”

The Company is participating in the JASIS2023 online exhibition named “WebExpo”.

In our booth, plenty of information is provided, such as 《technical information which can be utilized from basic to applied areas》 and 《introduction of new products》. Please take this opportunity and take a look.

【PLATINUM SPONSOR】

The Company is the only PLATINUM SPONSOR in the JASIS WebExpo 2023. As the main sponsor, we support organization of this Expo.



2023.7.5^{WED} >>> 11.30^{THU}

■What is JASIS?

Exposition of state-of-the-art scientific analysis systems & solutions where makers of analytical and scientific instruments meet together, to support advance in science.

JASIS (Japan Analytical & Scientific Instruments Show) was established as a unified name of the 50th Exhibition on Analysis (by Japan Analytical Instruments Manufacturers Association) and the 35th Exhibition on Scientific Instruments (by Japan Scientific Instruments Association), both of which was held in 2012.

It aims at becoming a place, as one of the largest exhibitions of this field in Asia, where further reinforcement of cooperation with a variety of industries and relevant institutions leading the world is sought, and where there are chances of contribution to advance in science for the future and discovery leading to business development.



New HPLC column “InertSustain C30” was released

- InertSustain C30 is a column in which a triacontyl group is chemically bonded to silica gel
- When used with highly lipid-soluble compounds, this column exerts excellent performance in separating isomers or compounds having similar structures
- Having realized lower bleeding as compared to phenyl column, it can be used in relief also for gradient analyses



■ Features

- Separation pattern different from ODS columns
- Steric selectivity is high, so best suited for separating isomers or similar compounds
- It can be used in water-based 100% eluents
- Low bleeding

■ What is column?

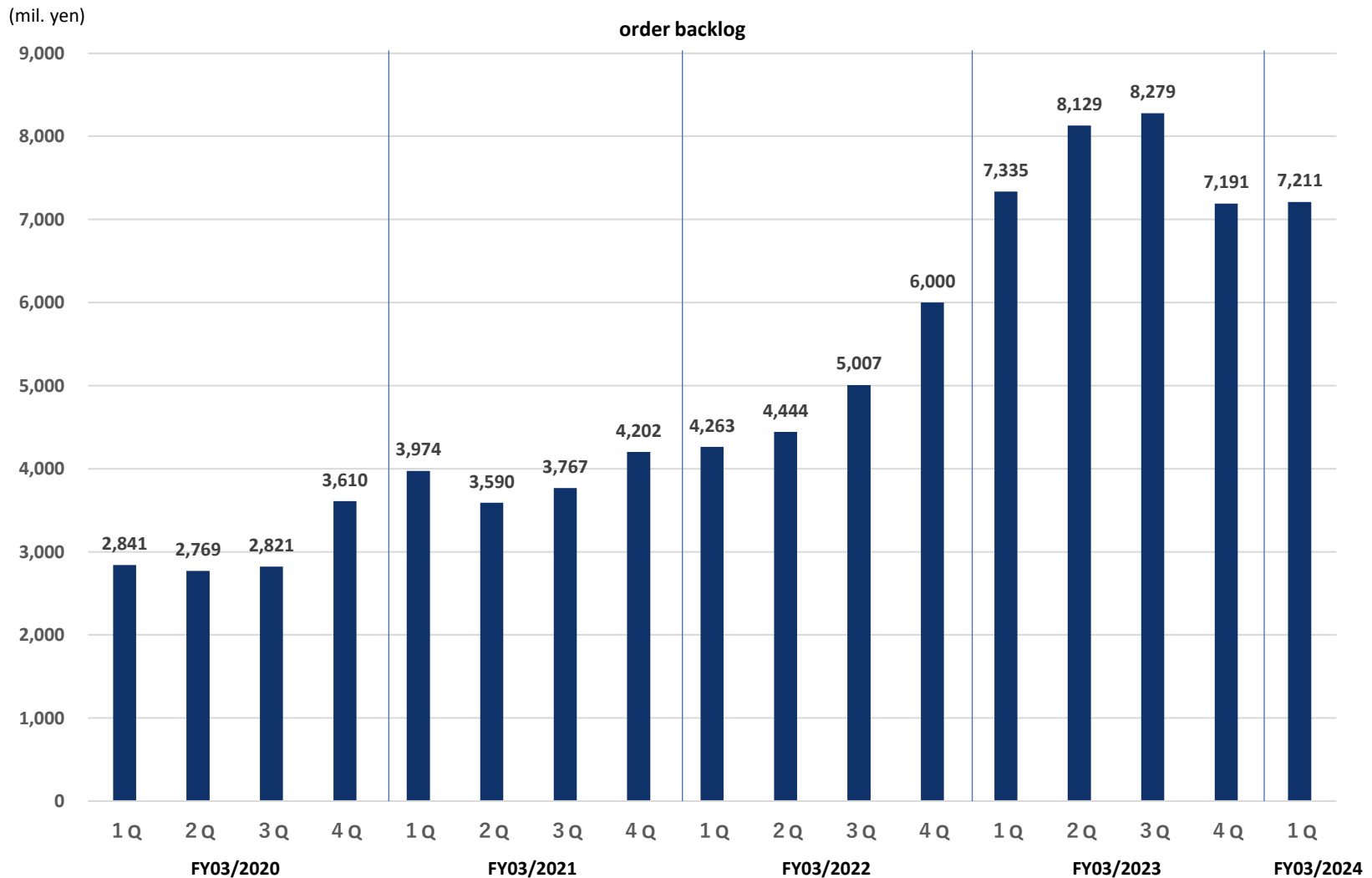
It is a kind of consumables used in chromatographs (instruments which separate different substances by making use of their chemical/physical properties and interactions). In order for accurate quantification, it is essential that a target compound can be separated from others.

In a chromatograph, some scientific interaction occurs in the column, thereby separating the target compound from others (such as interfering substances and impurities).

Separation pattern varies depending on the type of the column, so it is necessary to choose a proper column according to the intended analysis.

1Q of FY03/2024

Order backlog is staying at nearly the same level as FY03/2023



New release

New “StoCabi UHF (IC storage cabinet)” was released

- It is constructed so that UHF-band RFID tags attached to individual items in the cabinet can be detected.
- When its door is closed, this cabinet automatically recognizes whether any item(s) is/are lent out or returned.
- With no need of screen operation, you need only your IC card (such as employee/student ID card) to put out or return an item.
- You can freely arrange inside the cabinet. It can also handle batch lend/return.

Sample applications

Office: Storage of such as equipment, patent documents and seals
Management of whereabouts of PCs and media (e.g. USB memories)

Construction/manufacturing: Management of tools, instruments and drawings

Medical institution: Storage of strong medicine, medical records and devices

Educational institution: Storage of test papers, personal information documents and keys

Small-size StoCabi UHF was newly released!

With the same basic functions, it is best suited for storage/management of small volume.



① put over



② put out



③ done



Disclaimer

Materials in this document include prospects of business performance for the future, but they are solely forecasts determined by the Company based on currently available information and accordingly contain potential risks and uncertainty. Therefore, depending on various risks and uncertain elements, actual business performance may substantially differ from the future prospects as described herein.

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