



Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. Should there be any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

February 10, 2023

## CONSOLIDATED EARNINGS REPORT FOR THE THIRD QUARTER OF FISCAL 2022 [Japanese GAAP]

**Company Name:** BML, Inc.  
**Stock Listing:** Tokyo Stock Exchange  
**Stock Code:** 4694  
**URL:** <https://www.bml.co.jp/>  
**Representative:** Kensuke Kondo, President and Representative Director  
**Contact:** Norihisa Takebe, Director and Senior Managing Executive Officer  
 Tel: +81-3-3350-0111

**Scheduled Date for Filing of Quarterly Report:** February 14, 2023

**Scheduled Date for Payment of Dividends:** -

**Creation of Supplementary Explanatory Materials:** None

**Holding of Explanatory Meeting:** None

(Rounded down to nearest million yen)

### 1. Results for the Third Quarter of Fiscal 2022 (April 1, 2022–December 31, 2022)

#### (1) Consolidated business results

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
3Q of FY2022	123,935	(9.3)	20,430	(42.5)	20,583	(44.0)	13,341	(44.5)
3Q of FY2021	136,710	39.1	35,517	178.7	36,788	178.3	24,054	178.1

(Note) Comprehensive income: 3Q of FY2022 ¥13,603 million / (44.8)% 3Q of FY2021 ¥24,640 million / 179.2 %

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
3Q of FY2022	338.51		338.31	
3Q of FY2021	592.29		591.84	

**(2) Consolidated financial position**

	Total assets ¥ million	Net assets ¥ million	Equity ratio %
As of December 31, 2022	167,286	125,796	72.7
As of March 31, 2022	179,200	121,684	64.8

(Reference) Equity capital: As of December 31, 2022 ¥121,558 million As of March 31, 2022 ¥116,163 million

**2. Dividends**

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2021	—	35.00	—	85.00	120.00
FY2022	—	40.00	—		
FY2022 (forecast)				60.00	100.00

(Note) Revision of dividend projection from recently announced figures: Yes

**3. Consolidated Cumulative Earnings Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022–March 31, 2023)**

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Full year	154,000	(17.2)	22,000	(55.0)	22,500	(55.9)	14,500	(57.0)	368.19

(Note) Revision from recently projected results: None

**\* Notes**

**(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): None**

Increases: –                      Decreases: –

**(2) Adoption of specific accounting methods in preparing quarterly financial statements: None**

**(3) Changes in accounting policies and changes or revisions in accounting estimates**

- 1) Changes in accounting policies in conjunction with revisions to accounting standards: Yes
- 2) Other changes: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

**(4) Number of outstanding shares (common shares)**

a. Number of outstanding shares at the end of the period (treasury shares included)

As of December 31, 2022	42,613,626	As of March 31, 2022	43,514,726
-------------------------	------------	----------------------	------------

b. Number of treasury shares at the end of the period

As of December 31, 2022	3,333,964	As of March 31, 2022	3,586,202
-------------------------	-----------	----------------------	-----------

c. Average number of shares during the period

3Q ended December 31, 2022	39,412,158	3Q ended December 31, 2021	40,613,111
----------------------------	------------	----------------------------	------------

\* The quarterly financial results are not subject to quarterly review by a certified public accountant or an audit firm.

\* Disclaimer regarding appropriate use of forecasts and related points of note

Earnings forecasts contained in these materials are based on certain assumptions judged to be reasonable, and on the information available when the forecasts were made. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors. Please refer to “(3) Consolidated earnings forecasts and others” under “1. Qualitative information on operating results for quarter under review” on page 5 of this earnings report concerning financial forecasts such as the assumptions used for financial forecasts, factors that could cause these assumptions to change, and cautionary notes.

## **1. Qualitative information on operating results for quarter under review**

### **(1) Operating results**

In the first nine months of the consolidated fiscal year under review, the Japanese economy showed signs of a gradual recovery on the back of various policy measures under the “new normal.” However, the outlook remained uncertain, requiring careful monitoring of the effect of factors such as a downturn in overseas economies against the backdrop of monetary policy tightening around the world, price inflation, supply-side restrictions, and movements in financial and capital markets.

Under these economic conditions, the operating environment remained challenging for the contract clinical testing business, which was faced with a lackluster trend in the number of people who sought medical care, in addition to the impact of a revision of medical service fees, while competition with peer companies continued.

In these conditions, net sales for the first nine months of the fiscal year under review were ¥123,935 million, a decrease of 9.3% year on year, and operating profit was ¥20,430 million, a decrease of 42.5% year on year. Ordinary profit was ¥20,583 million, a decrease of 44.0% year on year, and profit attributable to owners of parent was ¥13,341 million, a decrease of 44.5 % year on year. Although testing numbers within existing testing increased for the BML Group, both net sales and profit decreased due to a reduction in medical service fees for testing related to COVID-19.

Conditions by business segment are described below.

In the clinical testing business, the BML Group made efforts to acquire new customers and also to enhance business performance by implementing activities to further develop sales to existing customers of such items as new testing items, unique testing items, and priority testing items. However, due to the considerable impact of the reduction in medical service fees for testing related to COVID-19, net sales in the clinical testing business declined 10.3% year on year.

In the food hygiene business, areas including food consulting and microbe testing grew due to the relaxation of restrictions on socioeconomic activity and lifting of restrictions on storefront activities in the restaurant industry and elsewhere. As a result, net sales increased by 6.4% year on year.

As a result of the above, net sales in the testing business overall decreased by 9.9%.

In the medical informatics business, net sales increased by 8.5% year on year. This reflected progress made generally as planned in sales of the cloud-based electronic patient chart system, which was released in April 2022, combined with strong orders received for the online health insurance qualification check function. Maintenance sales were also solid, due to an increase in the number of units installed.

In other businesses, the dispensing pharmacy business was affected by a revision of medical service fees (reduction in drug prices), and net sales recorded a decrease of 0.2% year on year.

### **(2) Financial position**

Assets, Liabilities and Net Assets

At the end of the third quarter of the consolidated fiscal year under review, total assets amounted to ¥167,286 million, an ¥11,914 million decrease over the end of the previous fiscal year, net assets

totalled ¥125,796 million, up ¥4,112 million over the end of the previous fiscal year, and the equity ratio was 72.7%, a 7.8 percentage point increase over the end of the previous fiscal year.

As for the main items contributing to an increase or decrease, in the assets section, under current assets, cash and deposits decreased by ¥7,195 million and notes and accounts receivable–trade decreased by ¥6,140 million. In the liabilities section, under current liabilities, income taxes payable decreased by ¥12,397 million. In the net assets section, retained earnings increased by ¥5,683 million.

### (3) Consolidated earnings forecasts and others

#### 1) Full-year consolidated earnings forecasts

The Company has not revised its forecasts announced on November 11, 2022.

#### 2) Revisions to dividend forecasts

Revision of figures in dividend forecasts for the year ending March 31, 2023

	Dividends per share		
	Second quarter-end Yen	Year-end Yen	Full year Yen
Previous forecast (announced on May 13, 2022)	40.00	40.00	80.00
Revised forecast	—	60.00 (Ordinary dividend: 40.00) (Special dividend: 20.00)	100.00 (Ordinary dividend: 80.00) (Special dividend: 20.00)
Current fiscal year results	40.00	—	—
(Reference) Previous fiscal year results (Year ended March 31, 2022)	35.00	85.00 (Ordinary dividend: 35.00) (Special dividend: 50.00)	120.00 (Ordinary dividend: 70.00) (Special dividend: 50.00)

#### Reasons for revision of the dividend forecasts

The Company regards the appropriate return of profits to shareholders as a key management issue, and upholds the basic policy of maintaining and continuing stable dividends.

The Company has reviewed the year-end dividend based on the Company's consolidated results and progress during the first nine months of the consolidated fiscal year, and has determined to revise the dividend forecasts to reflect an ordinary dividend of 40.00 yen and an additional special dividend of 20.00 yen, for a total year-end dividend of 60.00 yen per share.

\* The above forecasts are based on judgments made in light of information available as of the date of publication of this document. Actual results may differ from the expected figures due to a variety of factors in the future.

## 2. Consolidated financial statements

### (1) Consolidated balance sheets

(millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	92,126	84,930
Notes and accounts receivable–trade	36,405	30,265
Merchandise and finished goods	467	188
Work in process	749	687
Raw materials and supplies	3,659	4,435
Other	3,737	4,684
Allowance for doubtful accounts	(75)	(70)
Total current assets	137,070	125,121
Non-current assets		
Property, plant and equipment		
Other, net	32,337	33,517
Total property, plant and equipment	32,337	33,517
Intangible assets		
Other	3,973	4,311
Total intangible assets	3,973	4,311
Investments and other assets		
Other	5,903	4,415
Allowance for doubtful accounts	(83)	(79)
Total investments and other assets	5,819	4,336
Total non-current assets	42,130	42,165
Total assets	179,200	167,286

As of March 31, 2022    As of December 31, 2022

Liabilities		
Current liabilities		
Notes and accounts payable–trade	21,672	22,382
Income taxes payable	12,600	203
Provision for bonuses	3,616	3,004
Other	14,132	10,076
Total current liabilities	52,022	35,667
Non-current liabilities		
Retirement benefit liability	2,616	2,625
Provision for retirement benefits for directors (and other officers)	214	215
Other	2,662	2,981
Total non-current liabilities	5,494	5,822
Total liabilities	57,516	41,489
Net assets		
Shareholders' equity		
Share capital	6,045	6,045
Capital surplus	6,646	6,646
Retained earnings	110,458	116,142
Treasury shares	(8,057)	(8,081)
Total shareholders' equity	115,094	120,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	453	268
Remeasurements of defined benefit plans	616	536
Total accumulated other comprehensive income	1,069	804
Share acquisition rights	35	25
Non-controlling interests	5,485	4,212
Total net assets	121,684	125,796
Total liabilities and net assets	179,200	167,286

**(2) Consolidated statements of income and consolidated statements of comprehensive income****Consolidated statements of income**

April 1, 2022 – December 31, 2022

	(millions of yen)	
	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2022
Net sales	136,710	123,935
Cost of sales	73,327	75,066
Gross profit	63,382	48,869
Selling, general and administrative expenses	27,865	28,439
Operating profit	35,517	20,430
Non-operating income		
Other	1,326	305
Total non-operating income	1,326	305
Non-operating expenses		
Refund of subsidies	0	87
Other	54	63
Total non-operating expenses	55	151
Ordinary profit	36,788	20,583
Extraordinary income		
Gain on sale of investment securities	-	215
Gain on extinguishment of tie-in shares	20	-
Other	1	2
Total extraordinary income	22	217
Extraordinary losses		
Loss on retirement of non-current assets	63	29
Other	219	2
Total extraordinary losses	283	31
Profit before income taxes	36,528	20,769
Income taxes—current	11,153	5,688
Income taxes—deferred	661	1,211
Total income taxes	11,815	6,899
Profit	24,713	13,869
Profit attributable to non-controlling interests	658	528
Profit attributable to owners of parent	24,054	13,341



## Consolidated statements of comprehensive income

April 1, 2022 – December 31, 2022

	(millions of yen)	
	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2022
Profit	24,713	13,869
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(185)
Remeasurements of defined benefit plans, net of tax	(70)	(80)
Total other comprehensive income	(72)	(266)
Comprehensive income	24,640	13,603
Breakdown		
Comprehensive income attributable to owners of parent	23,984	13,076
Comprehensive income attributable to non-controlling interests	656	527

**(3) Notes on operating results for quarter under review**

(Notes on premise of going concern)

First nine months of the fiscal year ending March 31, 2023 (April 1, 2022 to December 31, 2022)

None

(Notes on significant changes in the amount of shareholders' equity)

First nine months of the fiscal year ending March 31, 2023 (April 1, 2022 to December 31, 2022)

None

(Changes in accounting policies)

The Group has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Implementation Guidance") from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Group has decided to apply the new accounting policies set forth by the Fair Value Measurement Implementation Guidance going forward. This will have no impact on the consolidated financial statements in the first nine months of the fiscal year under review.

### 3. Supplementary information

#### Breakdown of Sales

Testing		Nine Months Ended December 31, 2021		Nine Months Ended December 31, 2022		Change (%)
		¥ million	% of total	¥ million	% of total	
Testing business	Clinical testing business					
	Biochemical tests	38,620	28.3	38,914	31.4	0.8
	Hematological tests	8,120	5.9	8,175	6.6	0.7
	Immunological tests	19,617	14.4	19,130	15.4	(2.5)
	Microbiological tests	4,821	3.5	4,790	3.9	(0.6)
	Pathological tests	7,052	5.2	6,965	5.6	(1.2)
	Other tests	50,467	36.9	37,433	30.2	(25.8)
	(Clinical testing business subtotal)	128,699	94.1	115,410	93.1	(10.3)
	Food hygiene business*	3,327	2.4	3,540	2.9	6.4
Testing business subtotal	132,027	96.6	118,951	96.0	(9.9)	
Medical informatics business		3,558	2.6	3,861	3.1	8.5
Other businesses		1,125	0.8	1,122	0.9	(0.2)
Total		136,710	100.0	123,935	100.0	(9.3)

\* Change of name of the testing business

From the first quarter of the consolidated fiscal year under review, the name “Other testing business” has been changed to “Food hygiene business” in order to use a name more easily understood by shareholders. This change constitutes a change in name only and has no impact on sales.