



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.

August 10, 2022

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

**Company Name:** BML, Inc.  
**Stock Listing:** Tokyo Stock Exchange  
**Stock Code:** 4694  
**URL:** <http://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:** August 12, 2022  
**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 First Quarter of Fiscal 2022 (April 1, 2022–June 30, 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	%
1Q of FY2022	40,478	(14.0)	6,852	(51.2)	6,893	(53.6)	4,722	(52.5)
1Q of FY2021	47,092	80.4	14,052	-	14,870	-	9,937	-

(Note) Comprehensive income: 1Q of FY2022 ¥4,719 million / (53.3)% 1Q of FY2021 ¥10,096 million / -%

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
1Q of FY2022	119.20		119.12	
1Q of FY2021	244.47		244.27	

**(2) Consolidated financial position**

	Total assets ¥ million	Net assets ¥ million	Equity ratio %
As of June 30, 2022	163,520	120,817	70.5
As of March 31, 2022	179,200	121,684	64.8

(Reference) Equity capital: As of June 30, 2022 ¥115,348 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	—				
FY2022 (forecast)		40.00	—	40.00	80.00

(Note) Revision of dividend projection from recently announced figures: None

**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	146,000	(21.5)	16,500	(66.3)	17,000	(66.7)	11,000	(67.4)	280.87

(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 June 30, 2022	43,514,726	As of March 31, 2022	43,514,726
---------------------	------------	----------------------	------------

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

As of June 30, 2022	4,176,902	As of March 31, 2022	3,586,202
---------------------	-----------	----------------------	-----------

c. Average number of shares during the period

1Q ended June 30, 2022	39,617,274	1Q ended June 30, 2021	40,647,064
------------------------	------------	------------------------	------------

\* 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 three months of the consolidated fiscal year under review, the Japanese economy began to show signs of recovery under a declining rate of COVID-19 infections and the lifting of restrictions on activities. However, the outlook remained uncertain due to factors including rising raw materials prices under the prolongation of the Ukrainian situation and the weakening of the yen.

Under these circumstances, the contract clinical testing business remained in a challenging environment given the impact of the biennial revision of medical service fees under the national health insurance (NHI) system and the lackluster trend in the number of people who sought medical care while competition among companies continued.

In these conditions, net sales for the first three months of the fiscal year under review were ¥40,478 million, a decrease of 14.0% year on year, and operating profit was ¥6,852 million, a decrease of 51.2% year on year. Ordinary profit was ¥6,893 million, a decrease of 53.6% year on year, and profit attributable to owners of parent was ¥4,722 million, a decrease of 52.5% year on year. Although contract testing numbers within testing overall increased for the BML Group, both net sales and profit decreased due to the 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 in new customer acquisition, and sought to enhance business performance by implementing marketing activities to further cultivate sales of new testing items, unique testing items, priority testing items, and others. 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 15.3% year on year.

In the food hygiene business, areas including food consulting and microbe testing recovered due to the lifting of priority measures for contagion prevention and the relaxation of restrictions on business partners' sales activities. As a result, net sales increased by 9.3% year on year.

As a result of the above, net sales in the testing business overall decreased by 14.8%.

Sales in the medical informatics business increased 14.4% year on year due to the release of a cloud-based electronic patient chart system in April 2022 and subsequent progress of sales according to plan, in addition to solid maintenance sales.

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 2.3% year on year.

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

#### **Assets, Liabilities and Net Assets**

At the end of the first quarter of the consolidated fiscal year under review, total assets amounted to ¥163,520 million, a ¥15,680 million decrease over the end of the previous fiscal year, net assets totaled ¥120,817 million, down ¥866 million over the end of the previous fiscal year, and the equity ratio was 70.5%, a 5.7 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 ¥6,432 million and notes and accounts receivable–trade decreased by ¥6,346 million. In the liabilities section, under current liabilities, income taxes payable decreased by ¥11,472 million. The net assets section decreased by ¥1,980 million due to the acquisition of treasury shares, but retained earnings increased by ¥1,327 million.

**(3) Consolidated earnings forecasts and others**

The Company has not changed its forecasts for consolidated results for the full year announced in the beginning of the fiscal year under review.

## 2. Consolidated financial statements

### (1) Consolidated balance sheets

(millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	92,126	85,694
Notes and accounts receivable–trade	36,405	30,058
Merchandise and finished goods	467	411
Work in process	749	837
Raw materials and supplies	3,659	3,594
Other	3,737	1,709
Allowance for doubtful accounts	(75)	(52)
Total current assets	137,070	122,253
Non-current assets		
Property, plant and equipment		
Other, net	32,337	32,463
Total property, plant and equipment	32,337	32,463
Intangible assets		
Other	3,973	4,101
Total intangible assets	3,973	4,101
Investments and other assets		
Other	5,903	4,785
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	5,819	4,702
Total non-current assets	42,130	41,266
Total assets	179,200	163,520

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	21,672	21,685
Income taxes payable	12,600	1,128
Provision for bonuses	3,616	2,953
Other	14,132	11,229
<b>Total current liabilities</b>	<b>52,022</b>	<b>36,997</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,616	2,629
Provision for retirement benefits for directors (and other officers)	214	211
Other	2,662	2,863
<b>Total non-current liabilities</b>	<b>5,494</b>	<b>5,704</b>
<b>Total liabilities</b>	<b>57,516</b>	<b>42,702</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,045	6,045
Capital surplus	6,646	6,646
Retained earnings	110,458	111,786
Treasury shares	(8,057)	(10,036)
<b>Total shareholders' equity</b>	<b>115,094</b>	<b>114,442</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	453	315
Remeasurements of defined benefit plans	616	589
<b>Total accumulated other comprehensive income</b>	<b>1,069</b>	<b>905</b>
Share acquisition rights	35	34
Non-controlling interests	5,485	5,435
<b>Total net assets</b>	<b>121,684</b>	<b>120,817</b>
<b>Total liabilities and net assets</b>	<b>179,200</b>	<b>163,520</b>

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

April 1, 2022 – June 30, 2022

	(millions of yen)	
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Net sales	47,092	40,478
Cost of sales	23,811	24,197
Gross profit	23,281	16,280
Selling, general and administrative expenses	9,228	9,428
Operating profit	14,052	6,852
Non-operating income		
Royalty income	42	28
Other	800	92
Total non-operating income	842	121
Non-operating expenses		
Refund of subsidies	-	52
Other	24	27
Total non-operating expenses	24	80
Ordinary profit	14,870	6,893
Extraordinary income		
Gain on sale of investment securities	-	215
Gain on extinguishment of tie-in shares	20	-
Other	-	0
Total extraordinary income	20	215
Extraordinary losses		
Loss on retirement of non-current assets	20	2
Impairment losses	35	-
Other	0	0
Total extraordinary losses	55	2
Profit before income taxes	14,835	7,106
Income taxes—current	4,137	1,421
Income taxes—deferred	548	799
Total income taxes	4,685	2,221
Profit	10,149	4,884
Profit attributable to non-controlling interests	212	161
Profit attributable to owners of parent	9,937	4,722



## Consolidated statements of comprehensive income

April 1, 2022 – June 30, 2022

	(millions of yen)	
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Profit	10,149	4,884
Other comprehensive income		
Valuation difference on available-for-sale securities	(30)	(137)
Remeasurements of defined benefit plans, net of tax	(23)	(26)
Total other comprehensive income	(53)	(164)
Comprehensive income	10,096	4,719
Breakdown		
Comprehensive income attributable to owners of parent	9,883	4,557
Comprehensive income attributable to non-controlling interests	212	161

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

(Notes on premise of going concern)

First three months of the fiscal year ending March 31, 2023 (April 1, 2022 to June 30, 2022)

None

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

First three months of the fiscal year ending March 31, 2023 (April 1, 2022 to June 30, 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 three months of the fiscal year under review.

### 3. Supplementary information

#### Breakdown of Sales

Testing		Three Months Ended June 30, 2021		Three Months Ended June 30, 2022		Change (%)
		¥ million	% of total	¥ million	% of total	
Testing business	Clinical testing business					
	Biochemical tests	12,328	26.2	13,063	32.3	6.0
	Hematological tests	2,568	5.5	2,721	6.7	5.9
	Immunological tests	6,687	14.2	6,911	17.1	3.3
	Microbiological tests	1,549	3.3	1,553	3.8	0.2
	Pathological tests	2,134	4.5	2,162	5.3	1.3
	Other tests	19,414	41.2	11,420	28.2	(41.2)
	(Clinical testing business subtotal)	44,683	94.9	37,831	93.5	(15.3)
	Food hygiene business*	938	2.0	1,025	2.5	9.3
Testing business subtotal	45,621	96.9	38,857	96.0	(14.8)	
Medical informatics business		1,098	2.3	1,257	3.1	14.4
Other businesses		372	0.8	364	0.9	(2.3)
Total		47,092	100.0	40,478	100.0	(14.0)

\* Change of name of the testing business

From the first three months 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.