



## 2Q FYE Sep-2021 Kessan Tanshin [J-GAAP] (Consolidated)

14 May 2021

Company name Internetworking and Broadband Consulting Co., Ltd. Listed TSE  
 Code 3920 URL https://www.ibc21.co.jp/  
 Representative (Title) CEO and President (Name) Kato, Hiroyuki  
 Contact (Title) Director, Corporate Service Div. (Name) Shimane, Naoto TEL 03-5117-2780  
 Scheduled submission date 14 May 2021 Scheduled dividend —  
 of quarterly report payment date  
 Supplementary materials : Japanese only  
 Explanatory meeting : Not scheduled

(Fraction less than JPY mil)

### 1. 2Q of FYE Sep-2021 Consolidated Financial Results (1 Oct 2020 ~ 31 Mar 2021)

(1) Consolidated statement of income (Cumulative) (YoY %)

	Sales		Operating Income		Ordinary Income		Profit (loss) attributable to owners of parent	
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%
2Q of FYE Sep-2021	1,001	8.9	126	321.5	121	557.6	82	—
2Q of FYE Sep-2020	920	5.0	29	(81.6)	18	(88.7)	(225)	—
Comprehensive income	2Q of FYE Sep-2021	93	JPY mil	(-%)	2Q of FYE Sep-2020	(224)	JPY mil	(-%)

	EPS	EPS (diluted)
2Q of FYE Sep-2021	14.89	14.76
2Q of FYE Sep-2020	(40.93)	—

(Note) The description of diluted EPS is omitted due to loss of 2Q, despite that there are dilutive shares

### (2) Consolidated balance sheet

	Total Assets	Net Assets	Capital-to-asset ratio	
2Q FYE Sep-2021	JPY mil 3,128	JPY mil 1,633	% 52.2	
FYE Sep-2020	3,045	1,539	50.5	
(Ref.) Net assets	2Q of FYE Sep-2021	1,633 JPY mil	FYE Sep-2020	1,538 JPY mil

### 2. Dividend

	Dividend				
	1Q	2Q	3Q	4Q	Total
	JPY	JPY	JPY	JPY	JPY
FYE Sep-2019	—	0.00	—	0.00	0.00
FYE Sep-2020	—	0.00			
FYE Sep-2021 (Est.)			—	—	—

(Note) 1. Revisions to the forecasts of cash dividends most recently announced: Yes

2. Dividends after 3Q have not been determined.

3. Consolidated financial forecast (1 Oct 2020~30 Sep 2021)

(YoY % / QoQ %)

	Sales		Operating Income		Ordinary Income		Profit (loss) attributable to owners of parent		EPS
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%	JPY
FYE Sep-2021	2,313	18.8	322	62.3	319	83.3	195	—	35.40

(Note) Revisions to the consolidated earnings forecasts most recently announced: No

※ Note

(1) Transfer of material subsidiaries (subsidiaries resulting in change in scope of consolidation) : No  
Include — (Name) —, Exclude — (Name) —

(2) Application of a specific accounting procedure for preparing quarterly consolidated financial statements: Calculation of tax expense  
Tax expenses are calculated by estimating effective tax rate after tax effective accounting reasonably and multiplying income (losses) before income taxes by the estimated effective tax rate.

(3) Changes in Accounting policies, estimation and restatement

- ① Accounting policy changes in accordance with revision of Accounting Standard : None
- ② Accounting policy changes excluding ① : None
- ③ Accounting estimate changes : None
- ④ Restatement : None

(4) Number of outstanding shares (Ordinary share)

① Outstanding number of shares at FYE (Incl. treasury shares)	2Q of Sep- 2021	5,721,600	Sep-2020	5,715,600
② Number of treasury shares at FYE	2Q of Sep- 2021	194,159	Sep-2020	194,159
③ Average number of shares	2Q of Sep- 2021	5,524,321	2Q of Sep- 2020	5,519,671

※ This Tanshin is out of scope of audit by Auditors.

※ (Disclaimer)

The description regarding estimation or forecast in the future in this material is based on our information and assumptions that we have understood reasonably, we never commit, pledge or promise an achievement of the description. Actual achievement will suffer from various factors.

## 2. Consolidated financial statement

### (1) Consolidated balance sheet

(Unit : JPY thousand)

	Previous FYE (30 Sep 2020)	2Q of FYE Sep-2021 (31 Mar 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	1,229,058	1,171,678
Accounts receivable – trade	1,232,179	1,142,910
Inventories	18,844	10,173
Other	82,506	57,086
Current assets	2,562,589	2,381,848
Non-current assets		
Property, plant and equipment	46,845	43,795
Intangible assets		
Goodwill	76,281	66,331
Other	48,077	43,221
Intangible assets	124,358	109,553
Investments and other assets		
Investment securities	131,690	378,548
Other	207,022	242,324
Allowance for doubtful accounts	(27,447)	(27,447)
Investments and other assets	311,265	593,425
Non-current assets	482,470	746,774
Assets	3,045,059	3,128,622
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade-	160,286	148,380
Short-term loan payable	650,000	720,000
Current portion of long-term loans payable	122,396	122,396
Income taxes payable	3,794	46,725
Other	166,485	115,967
Current liabilities	1,102,962	1,153,469
Non-current liabilities		
Long-term loans payable	399,306	338,108
Provision for loss on business of subsidiaries and associates	3,331	3,331
Non-current liabilities	402,637	341,439
Liabilities	1,505,600	1,494,909
<b>Net assets</b>		
Shareholders' equity		
Capital stock	442,030	442,930
Capital surplus	419,974	420,874
Retained earnings	901,702	983,975
Treasury stock	(221,114)	(221,114)
Shareholders' equity	1,542,592	1,626,665
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,719)	7,048
Accumulated other comprehensive income	(3,719)	7,048
Subscription rights to shares	585	–
Net assets	1,539,458	1,633,713
Liabilities and net assets	3,045,059	3,128,622

(2) Consolidated statement of income and comprehensive income  
(Consolidated statement of income)  
(2Q)

(Unit : JPY thousand)

	Previous 2Q of FYE (from 1 Oct 2019 to 31 Mar 2020)	Latest 2Q of FYE (from 1 Oct 2020 to 31 Mar 2021)
Sales	920,231	1,001,756
COGS	304,898	407,155
Gross profit	615,332	594,600
Selling, general and administrative expenses	585,366	468,288
Operating loss ( )	29,966	126,312
Non-operating income		
Commission fee	949	627
Subsidy	—	2,474
Insurance premiums refunded cancellation	546	1,684
Consumption tax difference	1,403	—
Other	96	490
Non-operating income	2,996	5,275
Non-operating expenses		
Interest expenses	1,507	2,067
Share issuance cost	—	60
Commission for purchase of treasury shares	129	—
Share of loss of entities accounted for using equity method	12,176	7,922
Other	672	19
Non-operating expenses	14,485	10,070
Ordinary loss ( )	18,477	121,518
Extraordinary income		
Gain on reversal of subscription rights to shares	185	585
Extraordinary income	185	585
Extraordinary losses		
Provision of allowance for investment loss of subsidiaries and associates	896	—
Impairment loss	203,799	—
Extraordinary losses	204,696	—
Loss ( ) before income taxes	(186,032)	122,103
Income taxes	39,868	39,830
Loss ( )	(225,901)	82,272
Loss ( ) attributable to owners of parent	(225,901)	82,272

(Statement of consolidated comprehensive income)  
(2Q)

(Unit : JPY thousand)

	Previous 2Q of FYE (from 1 Oct 2019 to 31 Mar 2020)	Latest 2Q of FYE (from 1 Oct 2020 to 31 Mar 2021)
Net income (loss)	(225,901)	82,272
Other comprehensive income		
Valuation difference on available-for-sale securities	1,725	10,767
Other comprehensive income	1,725	10,767
Comprehensive income	(224,176)	93,040
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(224,176)	93,040
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated statement of cash flows

(2Q)

(Unit : JPY thousand)

	Previous 2Q of FYE (from 1 Oct 2019 to 31 Mar 2020)	Latest 2Q of FYE (from 1 Oct 2020 to 31 Mar 2021)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	(186,032)	122,103
Depreciation	25,671	22,640
Amortization of goodwill	20,675	9,949
Impairment loss	203,799	—
Increase (decrease) in provision for loss on order received	(2,539)	—
Increase (decrease) in provision for loss on business of subsidiaries and associates	896	—
Insurance premiums refunded cancellation	(546)	(1,684)
Share of (profit) loss of entities accounted for using equity method	12,176	7,922
Interest expenses	1,507	2,067
Commission for purchase of treasury shares	129	—
Share issuance cost	—	60
Decrease (increase) in notes and accounts receivable - trade	29,756	89,268
Decrease (increase) in inventories	2,023	7,523
Increase (decrease) in notes and accounts payable - trade	(13,707)	(11,906)
Decrease (increase) in advance payments	12,969	1,764
Increase (decrease) in advances received	(4,225)	4,840
Increase (decrease) in accounts payable - other	62	(11,106)
Increase (decrease) in accrued consumption taxes	10,208	(42,383)
Increase (decrease) in income taxes payable - factor based tax	(8,404)	3,761
Other, net	4,912	(13,147)
Subtotal	109,331	191,674
Interest income received	0	122
Interest expenses paid	(1,508)	(2,103)
Income taxes paid	(62,285)	(615)
Income taxes received	4,126	37,031
Net cash provided by (used in) operating activities	49,664	226,110
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(844)	(600)
Purchase of intangible assets	(76,716)	(12,987)
Purchase of investment securities	—	(231,189)
Purchase of insurance funds	(13,800)	(45,559)
Purchase of shares of subsidiaries and associates	—	(8,072)
Proceeds from cancellation of insurance funds	1,619	4,375
Net cash provided by (used in) investing activities	(89,742)	(294,032)

	(Unit : JPY thousand)	
	Previous 2Q of FYE (from 1 Oct 2019 to 31 Mar 2020)	Latest 2Q of FYE (from 1 Oct 2020 to 31 Mar 2021)
Increase (decrease) in short-term loans payable	—	70,000
Repayments of long-term loans payable	(11,200)	(61,198)
Proceeds from issuance of common shares	1,800	1,800
Purchase of treasury shares	(43,182)	—
Other, net	—	(60)
Net cash provided by (used in) financing activities	(52,582)	10,542
Net increase (decrease) in cash and cash equivalents	(92,660)	(57,380)
Cash and cash equivalents at beginning of period	925,045	1,229,058
Cash and cash equivalents at end of period	832,384	1,171,678