

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: Fabrica Communications Co., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4193 URL <https://www.fabrica-com.co.jp/>
 Representative: Representative Director & President Masahito Taniguchi
 Inquiries: Director & Head of Administration Division Akira Watanabe TEL 052-959-3460
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	5,858	21.4	923	40.1	939	42.8	574	26.1
Year ended March 31, 2021	4,826	23.7	659	90.0	658	93.0	455	302.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	121.82	105.81	35.8	31.2	15.8
Year ended March 31, 2021	109.71	—	78.6	32.9	13.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	3,762	2,395	63.7	481.00
As of March 31, 2021	2,267	807	35.6	194.49

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	566	(100)	774	2,268
Year ended March 31, 2021	621	(102)	(154)	1,027

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	—	—	0.00	0.00	—	—	—
Year ended March 31, 2022	—	0.00	—	25.00	25.00	124	20.5	7.4
Year ending March 31, 2023 (Forecast)	—	0.00	—	34.00	34.00		24.1	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,922	18.2	1,094	18.6	1,098	16.9	702	22.3	140.95

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	4,981,000 shares	As of March 31, 2021	4,151,600 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	36 shares	As of March 31, 2021	– shares
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Average number of shares during the period

Year ended March 31, 2022	4,713,350 shares	Year ended March 31, 2021	4,151,600 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	1,054,884	2,296,105
Notes and accounts receivable - trade	475,919	–
Notes and accounts receivable - trade, and contract assets	–	598,099
Merchandise and finished goods	29,587	37,262
Work in process	1,079	222
Raw materials and supplies	1,414	3,149
Other	65,261	188,143
Allowance for doubtful accounts	(3,589)	(3,047)
Total current assets	1,624,557	3,119,935
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	79,990	89,733
Machinery, equipment and vehicles, net	3,418	6,080
Tools, furniture and fixtures, net	33,592	25,799
Land	158,429	158,429
Leased assets, net	24,283	27,035
Total property, plant and equipment	299,713	307,078
Intangible assets		
Software	121,573	83,075
Software in progress	26,589	48,958
Other	328	328
Total intangible assets	148,490	132,362
Investments and other assets		
Investment securities	10,106	25,691
Distressed receivables	1,169	1,169
Insurance funds	62,655	37,181
Deferred tax assets	54,051	59,092
Other	65,069	79,898
Allowance for doubtful accounts	(1,169)	(1,231)
Total investments and other assets	191,883	201,801
Total non-current assets	640,087	641,242
Deferred assets		
Bond issuance costs	2,890	1,789
Total deferred assets	2,890	1,789
Total assets	2,267,535	3,762,967

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	233,658	356,854
Short-term borrowings	50,000	–
Current portion of bonds payable	70,000	65,000
Current portion of long-term borrowings	118,844	94,064
Accounts payable - other	204,452	164,873
Accrued expenses	76,754	81,082
Income taxes payable	176,165	204,694
Lease liabilities	5,714	7,025
Provision for bonuses	10,454	9,960
Provision for point card certificates	53,693	63,387
Other	20,312	41,690
Total current liabilities	1,020,049	1,088,632
Non-current liabilities		
Bonds payable	145,000	80,000
Long-term borrowings	246,704	146,668
Lease liabilities	18,865	20,884
Asset retirement obligations	25,245	26,366
Other	4,220	4,564
Total non-current liabilities	440,034	278,483
Total liabilities	1,460,084	1,367,115
Net assets		
Shareholders' equity		
Share capital	100,000	617,442
Capital surplus	39,020	556,462
Retained earnings	668,469	1,222,114
Treasury shares	–	(167)
Total shareholders' equity	807,489	2,395,851
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(38)	–
Total accumulated other comprehensive income	(38)	–
Total net assets	807,451	2,395,851
Total liabilities and net assets	2,267,535	3,762,967

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	4,826,294	5,858,127
Cost of sales	2,174,897	2,703,304
Gross profit	2,651,396	3,154,822
Selling, general and administrative expenses	1,992,280	2,231,484
Operating profit	659,115	923,338
Non-operating income		
Interest income	15	11
Dividend income	5	307
Rental income from buildings	7,214	7,221
Gain on sale of non-current assets	2,528	2,226
Surrender value of insurance policies	–	30,934
Compensation income	519	462
Other	4,596	3,107
Total non-operating income	14,879	44,272
Non-operating expenses		
Interest expenses	4,891	3,018
Share issuance costs	3,299	6,342
Rental expenses	2,251	2,251
Loss on sale of non-current assets	68	–
Loss on retirement of non-current assets	1,135	10,645
Other	4,340	5,772
Total non-operating expenses	15,987	28,031
Ordinary profit	658,007	939,579
Extraordinary losses		
Impairment losses	–	24,044
Loss on valuation of investment securities	–	37,779
Total extraordinary losses	–	61,824
Profit before income taxes	658,007	877,755
Income taxes - current	229,540	308,632
Income taxes - deferred	(26,997)	(5,040)
Total income taxes	202,543	303,592
Profit	455,463	574,163
Profit attributable to owners of parent	455,463	574,163

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	455,463	574,163
Other comprehensive income		
Valuation difference on available-for-sale securities	6	38
Total other comprehensive income	6	38
Comprehensive income	455,470	574,202
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	455,470	574,202

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	100,000	343,537	(91,511)	352,026	(45)	(45)	351,980
Changes during period							
Transfer to retained earnings from capital surplus		(304,517)	304,517	–			–
Profit attributable to owners of parent			455,463	455,463			455,463
Net changes in items other than shareholders' equity					6	6	6
Total changes during period	–	(304,517)	759,981	455,463	6	6	455,470
Balance at end of period	100,000	39,020	668,469	807,489	(38)	(38)	807,451

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	100,000	39,020	668,469	–	807,489	(38)	(38)	807,451
Cumulative effects of changes in accounting policies			(20,519)		(20,519)			(20,519)
Restated balance	100,000	39,020	647,950	–	786,970	(38)	(38)	786,932
Changes during period								
Issuance of new shares	517,442	517,442			1,034,884			1,034,884
Profit attributable to owners of parent			574,163		574,163			574,163
Purchase of treasury shares				(167)	(167)			(167)
Net changes in items other than shareholders' equity						38	38	38
Total changes during period	517,442	517,442	574,163	(167)	1,608,880	38	38	1,608,919
Balance at end of period	617,442	556,462	1,222,114	(167)	2,395,851	–	–	2,395,851

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	658,007	877,755
Depreciation	87,395	87,020
Increase (decrease) in allowance for doubtful accounts	(270)	(480)
Increase (decrease) in provision for bonuses	5,397	(494)
Increase (decrease) in provision for point card certificates	11,161	9,694
Interest and dividend income	(21)	(319)
Surrender value of insurance policies	–	(30,934)
Interest expenses	4,891	3,018
Share issuance costs	3,299	6,342
Loss (gain) on sale of non-current assets	(2,459)	(2,226)
Loss on retirement of non-current assets	1,135	10,645
Impairment losses	–	24,044
Loss (gain) on valuation of investment securities	–	37,779
Decrease (increase) in trade receivables	(130,263)	(122,179)
Decrease (increase) in inventories	24,319	(8,552)
Increase (decrease) in trade payables	68,376	123,195
Increase (decrease) in accrued expenses	10,684	4,327
Increase (decrease) in accounts payable - other	42,167	(37,205)
Other, net	1,933	(6,901)
Subtotal	785,756	974,531
Interest and dividends received	21	319
Interest paid	(4,978)	(2,895)
Income taxes paid	(159,448)	(405,037)
Net cash provided by (used in) operating activities	621,350	566,917
Cash flows from investing activities		
Purchase of property, plant and equipment	(114,158)	(100,137)
Proceeds from sale of property, plant and equipment	73,964	64,203
Purchase of intangible assets	(54,494)	(66,498)
Purchase of investment securities	–	(53,470)
Proceeds from cancellation of insurance funds	–	61,563
Other, net	(8,208)	(5,825)
Net cash provided by (used in) investing activities	(102,896)	(100,166)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	50,000	(50,000)
Proceeds from long-term borrowings	100,000	–
Repayments of long-term borrowings	(229,437)	(124,816)
Repayments of lease liabilities	(5,040)	(5,787)
Redemption of bonds	(70,000)	(70,000)
Proceeds from issuance of shares	–	1,025,241
Purchase of treasury shares	–	(167)
Net cash provided by (used in) financing activities	(154,477)	774,470
Net increase (decrease) in cash and cash equivalents	363,976	1,241,221
Cash and cash equivalents at beginning of period	663,107	1,027,084
Cash and cash equivalents at end of period	1,027,084	2,268,305