

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 10, 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 to file Quarterly Securities Report: August 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2022	1,648	20.4	258	43.8	263	54.5	165	55.6
Three months ended June 30, 2021	1,369	–	180	–	170	–	106	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	33.25		30.42	
Three months ended June 30, 2021	23.90		19.77	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	3,832	2,453	64.0
As of March 31, 2022	3,762	2,395	63.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	0.00	–	25.00	25.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	34.00	34.00

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 three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
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| Changes in accounting policies due to revisions to accounting standards and other regulations: | No |
| Changes in accounting policies due to other reasons: | Yes |
| Changes in accounting estimates: | No |
| Restatement of prior period financial statements: | No |

(4) Number of issued shares (common shares)

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

As of June 30, 2022	5,049,400 shares	As of March 31, 2022	4,981,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	36 shares	As of March 31, 2022	36 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	4,981,715 shares	Three months ended June 30, 2021	4,453,384 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,296,105	2,232,252
Notes and accounts receivable - trade, and contract assets	598,099	590,760
Merchandise and finished goods	37,262	57,924
Work in process	222	690
Raw materials and supplies	3,149	2,675
Other	188,143	287,417
Allowance for doubtful accounts	(3,047)	(3,149)
Total current assets	3,119,935	3,168,570
Non-current assets		
Property, plant and equipment		
Land	158,429	158,429
Other, net	148,649	166,864
Total property, plant and equipment	307,078	325,293
Intangible assets		
Software	83,075	90,036
Other	49,286	53,344
Total intangible assets	132,362	143,380
Investments and other assets		
Investments and other assets	203,033	194,668
Allowance for doubtful accounts	(1,231)	(1,223)
Total investments and other assets	201,801	193,444
Total non-current assets	641,242	662,118
Deferred assets	1,789	1,514
Total assets	3,762,967	3,832,203

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	356,854	364,584
Current portion of bonds payable	65,000	65,000
Current portion of long-term borrowings	94,064	92,400
Income taxes payable	204,694	90,265
Provision for point card certificates	63,387	62,833
Provision for bonuses	9,960	8,496
Other	294,671	436,004
Total current liabilities	1,088,632	1,119,583
Non-current liabilities		
Bonds payable	80,000	70,000
Long-term borrowings	146,668	123,568
Asset retirement obligations	26,366	27,808
Other	25,449	37,728
Total non-current liabilities	278,483	259,104
Total liabilities	1,367,115	1,378,688
Net assets		
Shareholders' equity		
Share capital	617,442	624,897
Capital surplus	556,462	563,917
Retained earnings	1,222,114	1,263,240
Treasury shares	(167)	(167)
Total shareholders' equity	2,395,851	2,451,889
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	784
Accumulated other comprehensive income	–	784
Share acquisition rights	–	841
Total net assets	2,395,851	2,453,515
Total liabilities and net assets	3,762,967	3,832,203

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	1,369,445	1,648,660
Cost of sales	639,300	779,966
Gross profit	730,145	868,693
Selling, general and administrative expenses	550,069	609,713
Operating profit	180,075	258,979
Non-operating income		
Interest income	0	0
Dividend income	7	5
Rental income from buildings	1,805	1,805
Gain on sale of non-current assets	254	4,357
Other	610	1,143
Total non-operating income	2,678	7,312
Non-operating expenses		
Interest expenses	828	463
Rental costs	562	562
Share issuance costs	6,342	–
Loss on retirement of non-current assets	3,048	–
Loss on cancellation of leases	45	617
Other	1,177	831
Total non-operating expenses	12,004	2,475
Ordinary profit	170,749	263,816
Extraordinary losses		
Impairment losses	–	2,227
Total extraordinary losses	–	2,227
Profit before income taxes	170,749	261,589
Income taxes - current	57,753	85,879
Income taxes - deferred	6,559	10,058
Total income taxes	64,312	95,938
Profit	106,436	165,650
Profit attributable to owners of parent	106,436	165,650

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	106,436	165,650
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	784
Total other comprehensive income	(13)	784
Comprehensive income	106,423	166,435
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	106,423	166,435