

Translation

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

November 14, 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: November 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	3,595	29.7	649	67.6	656	60.5	435	64.4
Six months ended September 30, 2021	2,771	–	387	–	409	–	264	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	86.80		79.87	
Six months ended September 30, 2021	58.22		48.93	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	4,184	2,738	65.4
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	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	35.00	35.00

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	7,250	23.8	1,250	35.4	1,220	29.9	783	36.5	154.55

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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
- 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 September 30, 2022	5,125,400 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 September 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)

Six months ended September 30, 2022	5,016,140 shares	Six months ended September 30, 2021	4,549,493 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	2,296,105	1,960,746
Notes and accounts receivable - trade, and contract assets	598,099	695,094
Merchandise and finished goods	37,262	111,994
Work in process	222	113
Raw materials and supplies	3,149	3,325
Other	188,143	270,524
Allowance for doubtful accounts	(3,047)	(3,959)
Total current assets	3,119,935	3,037,840
Non-current assets		
Property, plant and equipment		
Land	158,429	158,429
Other, net	148,649	185,599
Total property, plant and equipment	307,078	344,028
Intangible assets		
Software	83,075	84,495
Other	49,286	72,565
Total intangible assets	132,362	157,061
Investments and other assets		
Shares of subsidiaries and associates	–	422,133
Investments and other assets	203,033	223,153
Allowance for doubtful accounts	(1,231)	(1,216)
Total investments and other assets	201,801	644,070
Total non-current assets	641,242	1,145,160
Deferred assets	1,789	1,272
Total assets	3,762,967	4,184,273

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	356,854	418,374
Current portion of bonds payable	65,000	60,000
Current portion of long-term borrowings	94,064	91,400
Income taxes payable	204,694	242,300
Provision for point card certificates	63,387	67,076
Provision for bonuses	9,960	16,590
Other	294,671	314,764
Total current liabilities	1,088,632	1,210,507
Non-current liabilities		
Bonds payable	80,000	50,000
Long-term borrowings	146,668	101,468
Asset retirement obligations	26,366	27,951
Other	25,449	55,766
Total non-current liabilities	278,483	235,186
Total liabilities	1,367,115	1,445,693
Net assets		
Shareholders' equity		
Share capital	617,442	629,926
Capital surplus	556,462	568,946
Retained earnings	1,222,114	1,532,983
Treasury shares	(167)	(167)
Total shareholders' equity	2,395,851	2,731,689
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	4,286
Total accumulated other comprehensive income	–	4,286
Share acquisition rights	–	2,603
Total net assets	2,395,851	2,738,579
Total liabilities and net assets	3,762,967	4,184,273

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	2,771,442	3,595,907
Cost of sales	1,288,348	1,713,257
Gross profit	1,483,094	1,882,649
Selling, general and administrative expenses	1,095,536	1,233,068
Operating profit	387,557	649,580
Non-operating income		
Interest income	5	8
Dividend income	7	5
Rental income from buildings	3,610	3,610
Gain on sale of non-current assets	870	5,362
Surrender value of insurance policies	30,934	–
Other	1,419	3,153
Total non-operating income	36,848	12,141
Non-operating expenses		
Interest expenses	1,727	1,052
Rental costs	1,125	1,125
Share issuance costs	6,342	–
Loss on retirement of non-current assets	3,048	–
Loss on cancellation of leases	785	1,278
Other	2,372	1,877
Total non-operating expenses	15,402	5,334
Ordinary profit	409,003	656,387
Extraordinary losses		
Impairment losses	–	3,188
Total extraordinary losses	–	3,188
Profit before income taxes	409,003	653,198
Income taxes - current	142,675	233,484
Income taxes - deferred	1,457	(15,679)
Total income taxes	144,132	217,805
Profit	264,871	435,393
Profit attributable to owners of parent	264,871	435,393

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	264,871	435,393
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,330)	4,286
Total other comprehensive income	(13,330)	4,286
Comprehensive income	251,541	439,679
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	251,541	439,679