

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 14, 2023

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: February 14, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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 | % |
| Nine months ended December 31, 2022 | 5,549 | 30.8 | 957 | 50.4 | 950 | 43.9 | 614 | 47.9 |
| Nine months ended December 31, 2021 | 4,243 | 21.6 | 636 | 41.4 | 660 | 45.8 | 415 | 41.4 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2022 | 121.52 | | 112.53 | |
| Nine months ended December 31, 2021 | 89.30 | | 76.55 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2022 | 4,385 | 2,935 | 66.9 |
| 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 nine months ended December 31, 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 December 31, 2022 | 5,165,400 shares | As of March 31, 2022 | 4,981,000 shares |
|-------------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|-----------|----------------------|-----------|
| As of December 31, 2022 | 78 shares | As of March 31, 2022 | 36 shares |
|-------------------------|-----------|----------------------|-----------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|------------------|-------------------------------------|------------------|
| Nine months ended December 31, 2022 | 5,052,819 shares | Nine months ended December 31, 2021 | 4,648,458 shares |
|-------------------------------------|------------------|-------------------------------------|------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,296,105 | 2,171,684 |
| Notes and accounts receivable - trade, and contract assets | 598,099 | 662,122 |
| Merchandise and finished goods | 37,262 | 131,292 |
| Work in process | 222 | 208 |
| Raw materials and supplies | 3,149 | 4,018 |
| Other | 188,143 | 222,930 |
| Allowance for doubtful accounts | (3,047) | (3,891) |
| Total current assets | 3,119,935 | 3,188,364 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 158,429 | 158,429 |
| Other, net | 148,649 | 187,246 |
| Total property, plant and equipment | 307,078 | 345,675 |
| Intangible assets | | |
| Software | 83,075 | 81,703 |
| Other | 49,286 | 86,958 |
| Total intangible assets | 132,362 | 168,662 |
| Investments and other assets | | |
| Shares of subsidiaries and associates | – | 406,249 |
| Investments and other assets | 203,033 | 276,851 |
| Allowance for doubtful accounts | (1,231) | (1,358) |
| Total investments and other assets | 201,801 | 681,741 |
| Total non-current assets | 641,242 | 1,196,079 |
| Deferred assets | 1,789 | 1,047 |
| Total assets | 3,762,967 | 4,385,491 |

(Thousands of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 356,854 | 441,750 |
| Current portion of bonds payable | 65,000 | 60,000 |
| Current portion of long-term borrowings | 94,064 | 88,850 |
| Income taxes payable | 204,694 | 209,557 |
| Provision for point card certificates | 63,387 | 69,205 |
| Provision for bonuses | 9,960 | 15,096 |
| Other | 294,671 | 359,178 |
| Total current liabilities | 1,088,632 | 1,243,638 |
| Non-current liabilities | | |
| Bonds payable | 80,000 | 40,000 |
| Long-term borrowings | 146,668 | 80,918 |
| Asset retirement obligations | 26,366 | 28,469 |
| Other | 25,449 | 56,601 |
| Total non-current liabilities | 278,483 | 205,989 |
| Total liabilities | 1,367,115 | 1,449,627 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 617,442 | 632,426 |
| Capital surplus | 556,462 | 571,446 |
| Retained earnings | 1,222,114 | 1,711,611 |
| Treasury shares | (167) | (316) |
| Total shareholders' equity | 2,395,851 | 2,915,168 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | – | 16,547 |
| Total accumulated other comprehensive income | – | 16,547 |
| Share acquisition rights | – | 4,148 |
| Total net assets | 2,395,851 | 2,935,864 |
| Total liabilities and net assets | 3,762,967 | 4,385,491 |

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

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|---|--|--|
| Net sales | 4,243,683 | 5,549,225 |
| Cost of sales | 1,951,703 | 2,695,673 |
| Gross profit | 2,291,980 | 2,853,552 |
| Selling, general and administrative expenses | 1,655,056 | 1,895,656 |
| Operating profit | 636,923 | 957,895 |
| Non-operating income | | |
| Interest income | 5 | 8 |
| Dividend income | 307 | 5 |
| Rental income from buildings | 5,416 | 5,416 |
| Gain on sale of non-current assets | 1,172 | 6,038 |
| Insurance claim income | 1,262 | 2,601 |
| Surrender value of insurance policies | 30,934 | – |
| Other | 1,607 | 2,002 |
| Total non-operating income | 40,707 | 16,073 |
| Non-operating expenses | | |
| Interest expenses | 2,310 | 1,413 |
| Share of loss of entities accounted for using equity method | – | 15,883 |
| Rental costs | 1,688 | 1,688 |
| Share issuance costs | 6,342 | – |
| Loss on retirement of non-current assets | 3,139 | 0 |
| Loss on cancellation of leases | 785 | 1,278 |
| Other | 3,069 | 3,252 |
| Total non-operating expenses | 17,334 | 23,517 |
| Ordinary profit | 660,296 | 950,451 |
| Extraordinary losses | | |
| Impairment losses | – | 5,973 |
| Loss on valuation of investment securities | 33,072 | – |
| Total extraordinary losses | 33,072 | 5,973 |
| Profit before income taxes | 627,224 | 944,477 |
| Income taxes - current | 213,649 | 337,874 |
| Income taxes - deferred | (1,518) | (7,418) |
| Total income taxes | 212,130 | 330,456 |
| Profit | 415,093 | 614,021 |
| Profit attributable to owners of parent | 415,093 | 614,021 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|---|--|--|
| Profit | 415,093 | 614,021 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (0) | 16,547 |
| Total other comprehensive income | (0) | 16,547 |
| Comprehensive income | 415,092 | 630,568 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 415,092 | 630,568 |