

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 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 CEO Masahito Taniguchi  
 Director CFO & General Manager of Corporate Headquarters Toru Iwadate TEL 03-6226-1888  
 Scheduled date to file Quarterly Securities Report: November 14, 2023  
 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, 2023 (from April 1, 2023 to September 30, 2023)

#### (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, 2023	3,908	8.7	541	(16.7)	547	(16.6)	342	(21.3)
Six months ended September 30, 2022	3,595	29.7	649	67.6	656	60.5	435	64.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	64.34		62.71	
Six months ended September 30, 2022	86.80		79.87	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	4,776	3,366	70.2
As of March 31, 2023	4,702	3,178	67.5

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	35.00	35.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	36.00	36.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	8,967	18.0	1,418	10.6	1,424	12.9	893	10.3	167.75

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: No
- 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, 2023	5,327,800 shares	As of March 31, 2023	5,327,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	78 shares	As of March 31, 2023	78 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, 2023	5,327,722 shares	Six months ended September 30, 2022	5,016,140 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	2,265,070	1,816,260
Notes and accounts receivable - trade, and contract assets	714,070	756,509
Merchandise and finished goods	91,600	104,060
Work in process	203	2,643
Raw materials and supplies	3,275	3,855
Other	238,198	554,292
Allowance for doubtful accounts	(3,186)	(3,714)
Total current assets	3,309,231	3,233,907
Non-current assets		
Property, plant and equipment	316,274	358,819
Intangible assets		
Goodwill	23,051	20,706
Other	221,810	264,438
Total intangible assets	244,861	285,145
Investments and other assets		
Investment securities	196,378	649,914
Other	636,049	250,031
Allowance for doubtful accounts	(1,342)	(1,354)
Total investments and other assets	831,085	898,592
Total non-current assets	1,392,220	1,542,556
Deferred assets	822	410
Total assets	4,702,275	4,776,874

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	443,076	456,210
Current portion of bonds payable	50,000	40,000
Current portion of long-term borrowings	86,300	79,200
Income taxes payable	310,006	212,767
Provision for point card certificates	74,969	81,852
Provision for bonuses	9,825	19,344
Other	378,925	370,950
<b>Total current liabilities</b>	<b>1,353,103</b>	<b>1,260,325</b>
<b>Non-current liabilities</b>		
Bonds payable	30,000	10,000
Long-term borrowings	60,368	22,268
Asset retirement obligations	23,151	23,331
Other	56,986	94,815
<b>Total non-current liabilities</b>	<b>170,505</b>	<b>150,415</b>
<b>Total liabilities</b>	<b>1,523,608</b>	<b>1,410,741</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	645,106	645,106
Capital surplus	584,126	584,126
Retained earnings	1,907,692	2,094,726
Treasury shares	(316)	(316)
<b>Total shareholders' equity</b>	<b>3,136,609</b>	<b>3,323,642</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	36,396	30,744
<b>Total accumulated other comprehensive income</b>	<b>36,396</b>	<b>30,744</b>
Share acquisition rights	5,660	11,746
<b>Total net assets</b>	<b>3,178,666</b>	<b>3,366,133</b>
<b>Total liabilities and net assets</b>	<b>4,702,275</b>	<b>4,776,874</b>

## 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, 2022	Six months ended September 30, 2023
Net sales	3,595,907	3,908,811
Cost of sales	1,713,257	1,948,931
Gross profit	1,882,649	1,959,880
Selling, general and administrative expenses	1,233,068	1,418,790
Operating profit	649,580	541,090
Non-operating income		
Interest income	8	55
Dividend income	5	5
Rental income from buildings	3,610	3,610
Gain on sale of non-current assets	5,362	3,392
Insurance claim income	1,714	2,345
Other	1,439	889
Total non-operating income	12,141	10,300
Non-operating expenses		
Interest expenses	1,052	577
Rental costs	1,125	1,125
Loss on cancellation of leases	1,278	70
Loss on car accidents	808	708
Other	1,069	1,170
Total non-operating expenses	5,334	3,652
Ordinary profit	656,387	547,738
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	785
Total extraordinary income	–	785
Extraordinary losses		
Impairment losses	3,188	149
Total extraordinary losses	3,188	149
Profit before income taxes	653,198	548,375
Income taxes - current	233,484	202,266
Income taxes - deferred	(15,679)	3,348
Total income taxes	217,805	205,614
Profit	435,393	342,760
Profit attributable to owners of parent	435,393	342,760

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	435,393	342,760
Other comprehensive income		
Valuation difference on available-for-sale securities	4,286	(5,651)
Total other comprehensive income	4,286	(5,651)
Comprehensive income	439,679	337,108
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	439,679	337,108