

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 [Japanese GAAP]

July 30, 2021

Company name: Infocom Corporation
 Stock exchange listing: Tokyo
 Stock code: 4348 URL <https://www.infocom.co.jp/>
 Representative: President and CEO Norihiro Takehara
 Inquiries: Head of Corporate Communications Office Shinya Tanaka TEL 03-6866-3160
 Scheduled date to file Quarterly Securities Report: August 11, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021 | 15,873 | 1.8 | 2,157 | 3.2 | 2,191 | 3.1 | 1,514 | 5.1 |
| Three months ended June 30, 2020 | 15,589 | 22.9 | 2,091 | 68.6 | 2,126 | 67.6 | 1,441 | 67.7 |

| | Earnings per share | | Diluted earnings per share | |
|----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended June 30, 2021 | 27.65 | | 27.52 | |
| Three months ended June 30, 2020 | 26.33 | | 26.22 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2021 | 53,887 | 40,757 | 75.1 |
| As of March 31, 2021 | 56,435 | 41,839 | 73.5 |

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, 2021 | – | 10.00 | – | 27.00 | 37.00 |
| Year ending March 31, 2022 | – | – | – | – | – |
| Year ending March 31, 2022 (Forecast) | – | 13.00 | – | 27.00 | 40.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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 |
| Six months ending September 30, 2021 | 35,000 | 5.4 | 4,800 | (2.5) | 4,800 | (3.0) | 3,250 | (3.8) | 59.35 |
| Full year | 77,000 | 13.1 | 11,000 | 1.7 | 11,000 | 0.6 | 7,300 | 16.3 | 133.31 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(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: Yes
- 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 June 30, 2021 | 57,600,000 shares | As of March 31, 2021 | 57,600,000 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|------------------|----------------------|------------------|
| As of June 30, 2021 | 2,828,567 shares | As of March 31, 2021 | 2,829,423 shares |
|---------------------|------------------|----------------------|------------------|

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

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2021 | 54,771,769 shares | Three months ended June 30, 2020 | 54,734,777 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2021 | As of June 30, 2021 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 29,956 | 29,847 |
| Notes and accounts receivable - trade | 12,502 | – |
| Notes and accounts receivable - trade, and contract assets | – | 9,492 |
| Inventories | 167 | 209 |
| Other | 1,345 | 2,184 |
| Allowance for doubtful accounts | (7) | (4) |
| Total current assets | 43,964 | 41,729 |
| Non-current assets | | |
| Property, plant and equipment | 1,054 | 902 |
| Intangible assets | | |
| Software | 1,592 | 1,581 |
| Other | 47 | 35 |
| Total intangible assets | 1,639 | 1,616 |
| Investments and other assets | | |
| Investments and other assets | 9,974 | 9,849 |
| Allowance for doubtful accounts | (198) | (211) |
| Total investments and other assets | 9,776 | 9,637 |
| Total non-current assets | 12,471 | 12,157 |
| Total assets | 56,435 | 53,887 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 4,975 | 4,678 |
| Income taxes payable | 2,729 | 615 |
| Provision for bonuses | 1,402 | 511 |
| Other provisions | – | 12 |
| Other | 5,133 | 7,176 |
| Total current liabilities | 14,241 | 12,994 |
| Non-current liabilities | | |
| Retirement benefit liability | 16 | 21 |
| Other | 338 | 113 |
| Total non-current liabilities | 355 | 134 |
| Total liabilities | 14,596 | 13,129 |

(Millions of yen)

| | As of March 31, 2021 | As of June 30, 2021 |
|---|----------------------|---------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,590 | 1,590 |
| Capital surplus | 1,556 | 1,556 |
| Retained earnings | 37,479 | 36,715 |
| Treasury shares | (795) | (795) |
| Total shareholders' equity | 39,829 | 39,067 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,827 | 1,461 |
| Foreign currency translation adjustment | (153) | (84) |
| Total accumulated other comprehensive income | 1,673 | 1,377 |
| Share acquisition rights | 228 | 227 |
| Non-controlling interests | 107 | 85 |
| Total net assets | 41,839 | 40,757 |
| Total liabilities and net assets | 56,435 | 53,887 |

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

Consolidated statements of income (cumulative)

| | (Millions of yen) | |
|---|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2020 | Three months ended June 30, 2021 |
| Net sales | 15,589 | 15,873 |
| Cost of sales | 7,909 | 8,344 |
| Gross profit | 7,680 | 7,528 |
| Selling, general and administrative expenses | 5,589 | 5,371 |
| Operating profit | 2,091 | 2,157 |
| Non-operating income | | |
| Interest and dividend income | 37 | 36 |
| Share of profit of entities accounted for using equity method | 2 | 2 |
| Foreign exchange gains | 0 | – |
| Other | 0 | 0 |
| Total non-operating income | 41 | 39 |
| Non-operating expenses | | |
| Interest expenses | 0 | 0 |
| Foreign exchange losses | – | 0 |
| Partnership loss | 5 | 1 |
| Loss on extinguishment share-based compensation expenses | – | 3 |
| Other | 0 | 0 |
| Total non-operating expenses | 6 | 5 |
| Ordinary profit | 2,126 | 2,191 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 0 |
| Total extraordinary income | – | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | – |
| Loss on valuation of investment securities | 3 | – |
| Bad debts written off | 1 | – |
| Other | 0 | – |
| Total extraordinary losses | 5 | – |
| Profit before income taxes | 2,121 | 2,191 |
| Income taxes | 692 | 702 |
| Profit | 1,428 | 1,488 |
| Loss attributable to non-controlling interests | (12) | (25) |
| Profit attributable to owners of parent | 1,441 | 1,514 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2020 | Three months ended June 30, 2021 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,428 | 1,488 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 641 | (365) |
| Deferred gains or losses on hedges | (0) | – |
| Foreign currency translation adjustment | (61) | 72 |
| Total other comprehensive income | 579 | (292) |
| Comprehensive income | 2,008 | 1,196 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,031 | 1,218 |
| Comprehensive income attributable to non-controlling interests | (23) | (22) |

Consolidated statements of cash flows

(Millions of yen)

| | Three months ended June 30, 2020 | Three months ended June 30, 2021 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,121 | 2,191 |
| Depreciation | 228 | 352 |
| Share-based payment expenses | 50 | 9 |
| Amortization of goodwill | 50 | – |
| Increase (decrease) in provisions | (977) | (886) |
| Interest and dividend income | (37) | (36) |
| Interest expenses | 0 | 0 |
| Loss (gain) on valuation of investment securities | 3 | – |
| Decrease (increase) in trade receivables and contract assets | 1,358 | 3,099 |
| Decrease (increase) in inventories | (169) | (57) |
| Increase (decrease) in trade payables | 138 | (262) |
| Other, net | 540 | 492 |
| Subtotal | 3,307 | 4,902 |
| Interest and dividends received | 41 | 40 |
| Interest paid | (0) | (0) |
| Income taxes paid | (1,696) | (3,170) |
| Net cash provided by (used in) operating activities | 1,651 | 1,773 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (16) | (78) |
| Purchase of intangible assets | (122) | (158) |
| Purchase of investment securities | – | (163) |
| Other, net | (0) | 0 |
| Net cash provided by (used in) investing activities | (139) | (399) |
| Cash flows from financing activities | | |
| Repayments of lease obligations | (14) | (11) |
| Dividends paid | (1,149) | (1,478) |
| Other, net | (2) | (2) |
| Net cash provided by (used in) financing activities | (1,166) | (1,493) |
| Effect of exchange rate change on cash and cash equivalents | (27) | 10 |
| Net increase (decrease) in cash and cash equivalents | 318 | (108) |
| Cash and cash equivalents at beginning of period | 23,491 | 29,956 |
| Cash and cash equivalents at end of period | 23,809 | 29,847 |