

Translation

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

October 27, 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: November 9, 2021
 Scheduled date to commence dividend payments: November 30, 2021
 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, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	32,456	(2.3)	4,998	1.6	5,055	2.1	3,445	2.0
Six months ended September 30, 2020	33,213	20.0	4,920	27.4	4,950	27.7	3,377	31.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	62.90		62.62	
Six months ended September 30, 2020	61.70		61.43	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2021	55,773		42,691		76.0	
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				
Year ended March 31, 2021	–	10.00	–	27.00	37.00
Year ending March 31, 2022	–	13.00			
Year ending March 31, 2022 (Forecast)			–	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
Full year	70,000	2.9	11,000	1.7	11,000	0.6	7,300	16.3	133.28

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2021	57,600,000 shares	As of March 31, 2021	57,600,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	2,826,767 shares	As of March 31, 2021	2,829,423 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, 2021	54,772,225 shares	Six months ended September 30, 2020	54,750,120 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	29,956	30,732
Notes and accounts receivable - trade	12,502	–
Notes and accounts receivable - trade, and contract assets	–	10,437
Inventories	167	192
Other	1,345	2,035
Allowance for doubtful accounts	(7)	(5)
Total current assets	43,964	43,392
Non-current assets		
Property, plant and equipment	1,054	757
Intangible assets		
Software	1,592	1,680
Other	47	34
Total intangible assets	1,639	1,715
Investments and other assets		
Investments and other assets	9,974	10,120
Allowance for doubtful accounts	(198)	(211)
Total investments and other assets	9,776	9,908
Total non-current assets	12,471	12,381
Total assets	56,435	55,773
Liabilities		
Current liabilities		
Accounts payable - trade	4,975	4,574
Income taxes payable	2,729	1,476
Provision for bonuses	1,402	1,025
Other provisions	–	15
Other	5,133	5,744
Total current liabilities	14,241	12,836
Non-current liabilities		
Retirement benefit liability	16	23
Other	338	222
Total non-current liabilities	355	245
Total liabilities	14,596	13,082
Net assets		
Shareholders' equity		
Share capital	1,590	1,590
Capital surplus	1,556	1,559
Retained earnings	37,479	38,646
Treasury shares	(795)	(794)
Total shareholders' equity	39,829	41,001
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,827	1,452
Foreign currency translation adjustment	(153)	(81)
Total accumulated other comprehensive income	1,673	1,370
Share acquisition rights	228	226
Non-controlling interests	107	93
Total net assets	41,839	42,691
Total liabilities and net assets	56,435	55,773

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	33,213	32,456
Cost of sales	16,780	16,770
Gross profit	16,432	15,685
Selling, general and administrative expenses	11,511	10,687
Operating profit	4,920	4,998
Non-operating income		
Interest and dividend income	38	52
Share of profit of entities accounted for using equity method	6	7
Foreign exchange gains	0	–
Other	3	2
Total non-operating income	49	62
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	–	1
Partnership loss	19	0
Loss on extinguishment share-based compensation expenses	–	3
Other	0	0
Total non-operating expenses	19	6
Ordinary profit	4,950	5,055
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	3	44
Bad debts written off	1	–
Other	0	–
Total extraordinary losses	5	44
Profit before income taxes	4,945	5,011
Income taxes	1,589	1,616
Profit	3,355	3,394
Loss attributable to non-controlling interests	(22)	(50)
Profit attributable to owners of parent	3,377	3,445

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	3,355	3,394
Other comprehensive income		
Valuation difference on available-for-sale securities	1,520	(374)
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	(69)	74
Total other comprehensive income	1,451	(299)
Comprehensive income	4,806	3,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,838	3,142
Comprehensive income attributable to non-controlling interests	(31)	(47)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	4,945	5,011
Depreciation	482	669
Share-based payment expenses	59	18
Amortization of goodwill	102	—
Increase (decrease) in provisions	(548)	(366)
Interest and dividend income	(38)	(52)
Interest expenses	0	0
Loss (gain) on valuation of investment securities	3	44
Decrease (increase) in trade receivables and contract assets	786	2,154
Decrease (increase) in inventories	88	(40)
Increase (decrease) in trade payables	387	(367)
Other, net	(173)	(815)
Subtotal	6,094	6,253
Interest and dividends received	41	56
Interest paid	(0)	(0)
Income taxes paid	(1,652)	(3,174)
Net cash provided by (used in) operating activities	4,481	3,135
Cash flows from investing activities		
Purchase of property, plant and equipment	(77)	(87)
Purchase of intangible assets	(303)	(405)
Purchase of investment securities	(157)	(405)
Other, net	(0)	0
Net cash provided by (used in) investing activities	(538)	(898)
Cash flows from financing activities		
Repayments of lease obligations	(28)	(23)
Dividends paid	(1,149)	(1,478)
Other, net	(4)	28
Net cash provided by (used in) financing activities	(1,182)	(1,474)
Effect of exchange rate change on cash and cash equivalents	(26)	13
Net increase (decrease) in cash and cash equivalents	2,734	775
Cash and cash equivalents at beginning of period	23,491	29,956
Cash and cash equivalents at end of period	26,225	30,732