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

January 27, 2022

Company name: INFOCOM CORPORATION

Stock exchange listing: Tokyo

Code number: 4348

URL: <https://www.infocom.co.jp/>

Representative: Norihiro Takehara

President and CEO

Contact: Shinya Tanaka

Head of Corporate Communications Office

Phone: 03-6866-3160

Scheduled date of filing quarterly securities report: February 10, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 01, 2021 to December 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2021	47,481	(2.9)	7,073	(0.5)	7,176	(0.5)	4,884	(0.8)
December 31, 2020	48,914	18.7	7,110	22.0	7,213	23.5	4,925	23.9

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥ 3,926 million [(37.5)%]
 Nine months ended December 31, 2020: ¥ 6,282 million [64.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	89.17	88.78
December 31, 2020	89.96	89.56

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2021	54,719	42,810	77.7
March 31, 2021	56,435	41,839	73.5

(Reference) Equity: As of December 31, 2021: ¥ 42,511 million
 As of March 31, 2021: ¥ 41,503 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	10.00	-	27.00	37.00
Fiscal year ending March 31, 2022	-	13.00	-		
Fiscal year ending March 31, 2022 (Forecast)				37.00	50.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	66,000	(3.0)	10,500	(2.9)	10,500	(4.0)	7,000	11.5	127.80

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2021: 57,600,000 shares

March 31, 2021: 57,600,000 shares

2) Total number of treasury shares at the end of the period:

December 31, 2021: 2,823,967 shares

March 31, 2021: 2,829,423 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 54,773,047 shares

Nine months ended December 31, 2020: 54,756,257 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of December 31,2021
Assets		
Current assets		
Cash and deposits	29,956	29,945
Notes and accounts receivable - trade	12,502	-
Notes and accounts receivable - trade, and contract assets	-	9,507
Inventories	167	306
Other	1,345	2,210
Allowance for doubtful accounts	(7)	(5)
Total current assets	43,964	41,965
Non-current assets		
Property, plant and equipment	1,054	1,346
Intangible assets		
Software	1,592	1,746
Goodwill	-	715
Other	47	34
Total intangible assets	1,639	2,496
Investments and other assets		
Investments and other assets	9,974	9,125
Allowance for doubtful accounts	(198)	(214)
Total investments and other assets	9,776	8,911
Total non-current assets	12,471	12,754
Total assets	56,435	54,719
Liabilities		
Current liabilities		
Accounts payable - trade	4,975	4,145
Income taxes payable	2,729	553
Provision for bonuses	1,402	527
Other provisions	-	23
Other	5,133	6,170
Total current liabilities	14,241	11,419
Non-current liabilities		
Retirement benefit liability	16	44
Other provisions	-	52
Other	338	390
Total non-current liabilities	355	488
Total liabilities	14,596	11,908
Net assets		
Shareholders' equity		
Share capital	1,590	1,590
Capital surplus	1,556	1,560
Retained earnings	37,479	39,373
Treasury shares	(795)	(794)
Total shareholders' equity	39,829	41,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,827	847
Foreign currency translation adjustment	(153)	(65)

(Million yen)

	As of March 31,2021	As of December 31,2021
Total accumulated other comprehensive income	1,673	782
Share acquisition rights	228	224
Non-controlling interests	107	74
Total net assets	41,839	42,810
Total liabilities and net assets	56,435	54,719

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Net sales	48,914	47,481
Cost of sales	24,959	24,570
Gross profit	23,955	22,911
Selling, general and administrative expenses	16,844	15,838
Operating profit	7,110	7,073
Non-operating income		
Interest and dividend income	101	90
Share of profit of entities accounted for using equity method	7	11
Foreign exchange gains	0	-
Partnership gain	-	3
Other	18	3
Total non-operating income	127	109
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	-	2
Partnership loss	23	-
Loss on extinguishment share-based compensation expenses	-	3
Other	0	0
Total non-operating expenses	24	6
Ordinary profit	7,213	7,176
Extraordinary income		
Gain on sale of non-current assets	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	1	10
Loss on valuation of investment securities	2	44
Loss on sale of shares of subsidiaries and associates	-	46
Bad debts written off	1	-
Other	0	-
Total extraordinary losses	5	101
Profit before income taxes	7,208	7,075
Income taxes	2,324	2,258
Profit	4,883	4,817
Loss attributable to non-controlling interests	(42)	(66)
Profit attributable to owners of parent	4,925	4,884

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Profit	4,883	4,817
Other comprehensive income		
Valuation difference on available-for-sale securities	1,488	(979)
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	(89)	88
Total other comprehensive income	1,398	(891)
Comprehensive income	6,282	3,926
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,331	3,992
Comprehensive income attributable to non-controlling interests	(49)	(66)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Cash flows from operating activities		
Profit before income taxes	7,208	7,075
Depreciation	761	1,059
Share-based payment expenses	68	27
Amortization of goodwill	153	-
Increase (decrease) in provisions	(975)	(875)
Interest and dividend income	(101)	(90)
Interest expenses	0	0
Loss (gain) on valuation of investment securities	2	44
Loss (gain) on sale of shares of subsidiaries and associates	-	46
Decrease (increase) in trade receivables and contract assets	2,247	3,168
Decrease (increase) in inventories	(166)	(154)
Increase (decrease) in trade payables	64	(801)
Other, net	289	(510)
Subtotal	9,552	8,988
Interest and dividends received	103	93
Interest paid	(0)	(0)
Income taxes paid	(2,365)	(4,639)
Net cash provided by (used in) operating activities	7,289	4,442
Cash flows from investing activities		
Purchase of property, plant and equipment	(107)	(702)
Purchase of intangible assets	(527)	(679)
Purchase of investment securities	(179)	(430)
Proceeds from sale of shares of subsidiaries and associates	-	150
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(603)
Other, net	17	3
Net cash provided by (used in) investing activities	(797)	(2,263)
Cash flows from financing activities		
Repayments of lease obligations	(41)	(35)
Dividends paid	(1,697)	(2,190)
Other, net	(5)	26
Net cash provided by (used in) financing activities	(1,744)	(2,199)
Effect of exchange rate change on cash and cash equivalents	(27)	10
Net increase (decrease) in cash and cash equivalents	4,719	(10)
Cash and cash equivalents at beginning of period	23,491	29,956
Cash and cash equivalents at end of period	28,211	29,945