

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 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
 Inquiries: Toru Iwadate
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	1,935	17.4	260	0.7	265	0.6	164	(0.6)
Three months ended June 30, 2022	1,648	20.4	258	43.8	263	54.5	165	55.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	30.91		30.12	
Three months ended June 30, 2022	33.25		30.42	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	4,672	3,213	68.6
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	–				
Year ending March 31, 2024 (Forecast)		0.00	–	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 three months ended June 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 June 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 June 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)

Three months ended June 30, 2023	5,327,722 shares	Three months ended June 30, 2022	4,981,715 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,265,070	2,029,838
Notes and accounts receivable - trade, and contract assets	714,070	671,720
Merchandise and finished goods	91,600	77,698
Work in process	203	1,056
Raw materials and supplies	3,275	4,967
Other	238,198	355,449
Allowance for doubtful accounts	(3,186)	(3,311)
Total current assets	3,309,231	3,137,419
Non-current assets		
Property, plant and equipment	316,274	371,415
Intangible assets		
Goodwill	23,051	21,879
Other	221,810	228,802
Total intangible assets	244,861	250,682
Investments and other assets		
Investment securities	196,378	685,270
Other	636,049	228,336
Allowance for doubtful accounts	(1,342)	(1,360)
Total investments and other assets	831,085	912,246
Total non-current assets	1,392,220	1,534,343
Deferred assets	822	597
Total assets	4,702,275	4,672,360

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	443,076	421,854
Current portion of bonds payable	50,000	50,000
Current portion of long-term borrowings	86,300	83,750
Income taxes payable	310,006	91,547
Provision for point card certificates	74,969	79,366
Provision for bonuses	9,825	10,800
Other	378,925	560,669
Total current liabilities	1,353,103	1,297,987
Non-current liabilities		
Bonds payable	30,000	20,000
Long-term borrowings	60,368	39,818
Asset retirement obligations	23,151	23,241
Other	56,986	77,670
Total non-current liabilities	170,505	160,730
Total liabilities	1,523,608	1,458,717
Net assets		
Shareholders' equity		
Share capital	645,106	645,106
Capital surplus	584,126	584,126
Retained earnings	1,907,692	1,916,629
Treasury shares	(316)	(316)
Total shareholders' equity	3,136,609	3,145,545
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,396	59,651
Accumulated other comprehensive income	36,396	59,651
Share acquisition rights	5,660	8,445
Total net assets	3,178,666	3,213,642
Total liabilities and net assets	4,702,275	4,672,360

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	1,648,660	1,935,289
Cost of sales	779,966	957,159
Gross profit	868,693	978,129
Selling, general and administrative expenses	609,713	717,277
Operating profit	258,979	260,852
Non-operating income		
Interest income	0	0
Dividend income	5	5
Rental income from buildings	1,805	1,805
Gain on sale of non-current assets	4,357	1,663
Insurance claim income	187	1,968
Other	956	633
Total non-operating income	7,312	6,076
Non-operating expenses		
Interest expenses	463	256
Rental costs	562	562
Loss on cancellation of leases	617	-
Other	831	748
Total non-operating expenses	2,475	1,567
Ordinary profit	263,816	265,361
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	-	785
Total extraordinary income	-	785
Extraordinary losses		
Impairment losses	2,227	149
Total extraordinary losses	2,227	149
Profit before income taxes	261,589	265,998
Income taxes - current	85,879	86,296
Income taxes - deferred	10,058	15,037
Total income taxes	95,938	101,333
Profit	165,650	164,664
Profit attributable to owners of parent	165,650	164,664

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	165,650	164,664
Other comprehensive income		
Valuation difference on available-for-sale securities	784	23,254
Total other comprehensive income	784	23,254
Comprehensive income	166,435	187,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	166,435	187,918