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Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 [Japanese GAAP]

October 31, 2023

Company name: INFOCOM CORPORATION

Stock exchange listing: Tokyo

Code number: 4348

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

Representative: Jun Kuroda

President and CEO

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: November 30, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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	40,050	21.2	4,177	12.6	4,234	11.9	2,824	65.3
September 30, 2022	33,035	1.8	3,710	(25.8)	3,785	(25.1)	1,708	(50.4)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 2,863 million [92.6%]
Six months ended September 30, 2022: ¥ 1,487 million [(52.0)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	51.51	51.30
September 30, 2022	31.18	31.05

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	63,224	46,477	73.0
March 31, 2023	60,287	45,194	74.3

(Reference) Equity: As of September 30, 2023: ¥ 46,122 million
As of March 31, 2023: ¥ 44,816 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, 2023	-	18.00	-	32.00	50.00
Fiscal year ending March 31, 2024	-	18.00			
Fiscal year ending March 31, 2024 (Forecast)			-	27.00	45.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note)

Breakdown of the year-end dividend for the fiscal year ended March 31, 2023:

Commemorative dividend	5.00 yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	82,500	17.3	10,000	17.3	10,000	16.3	6,700	87.6	122.28

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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: No

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):

September 30, 2023: 57,600,000 shares

March 31, 2023: 57,600,000 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 2,725,882 shares

March 31, 2023: 2,809,562 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 54,825,532 shares

Six months ended September 30, 2022: 54,783,076 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	35,575	35,781
Notes and accounts receivable - trade, and contract assets	11,757	11,212
Inventories	83	186
Other	1,695	2,230
Allowance for doubtful accounts	(0)	(3)
Total current assets	49,111	49,407
Non-current assets		
Property, plant and equipment	1,140	1,410
Intangible assets		
Software	2,198	2,435
Goodwill	419	1,053
Other	33	858
Total intangible assets	2,650	4,347
Investments and other assets		
Investments and other assets	7,386	8,060
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	7,385	8,058
Total non-current assets	11,176	13,817
Total assets	60,287	63,224
Liabilities		
Current liabilities		
Accounts payable - trade	5,212	5,768
Income taxes payable	1,437	1,409
Provision for bonuses	1,302	1,083
Other provisions	23	25
Other	6,642	7,648
Total current liabilities	14,619	15,935
Non-current liabilities		
Retirement benefit liability	67	76
Other provisions	52	52
Other	353	681
Total non-current liabilities	474	811
Total liabilities	15,093	16,746
Net assets		
Shareholders' equity		
Share capital	1,590	1,590
Capital surplus	1,485	1,642
Retained earnings	41,961	43,032
Treasury shares	(790)	(766)
Total shareholders' equity	44,246	45,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	390	290
Foreign currency translation adjustment	178	334
Total accumulated other comprehensive income	569	625
Share acquisition rights	213	206

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Non-controlling interests	164	148
Total net assets	45,194	46,477
Total liabilities and net assets	60,287	63,224

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	33,035	40,050
Cost of sales	17,557	21,311
Gross profit	15,477	18,739
Selling, general and administrative expenses	11,767	14,562
Operating profit	3,710	4,177
Non-operating income		
Interest and dividend income	85	45
Partnership gain	-	6
Other	4	9
Total non-operating income	89	61
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	2	2
Partnership loss	9	-
Other	0	0
Total non-operating expenses	13	4
Ordinary profit	3,785	4,234
Extraordinary income		
Gain on sale of investment securities	-	28
Total extraordinary income	-	28
Extraordinary losses		
Impairment losses	719	-
Loss on retirement of non-current assets	2	24
Loss on valuation of investment securities	118	21
Total extraordinary losses	840	46
Profit before income taxes	2,945	4,217
Income taxes	1,238	1,411
Profit	1,707	2,805
Loss attributable to non-controlling interests	(0)	(18)
Profit attributable to owners of parent	1,708	2,824

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,707	2,805
Other comprehensive income		
Valuation difference on available-for-sale securities	(483)	(99)
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	262	158
Total other comprehensive income	(220)	58
Comprehensive income	1,487	2,863
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,485	2,879
Comprehensive income attributable to non-controlling interests	1	(16)

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,945	4,217
Depreciation	491	571
Share-based payment expenses	17	24
Impairment losses	719	-
Amortization of goodwill	81	41
Increase (decrease) in provisions	(269)	(210)
Interest and dividend income	(85)	(45)
Interest expenses	1	1
Loss on retirement of non-current assets	2	24
Loss (gain) on sale of investment securities	-	(28)
Loss (gain) on valuation of investment securities	118	21
Decrease (increase) in trade receivables and contract assets	1,084	1,041
Decrease (increase) in inventories	(56)	(52)
Increase (decrease) in trade payables	693	446
Other, net	316	294
Subtotal	6,060	6,346
Interest and dividends received	79	42
Interest paid	(1)	(1)
Income taxes paid	(2,051)	(2,052)
Income taxes refund	221	265
Net cash provided by (used in) operating activities	4,308	4,600
Cash flows from investing activities		
Purchase of property, plant and equipment	(66)	(231)
Purchase of intangible assets	(515)	(593)
Purchase of investment securities	(499)	(514)
Proceeds from sale of investment securities	-	28
Payments of guarantee deposits	(25)	(94)
Proceeds from refund of guarantee deposits	745	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,331)
Other, net	(23)	2
Net cash provided by (used in) investing activities	(385)	(2,731)
Cash flows from financing activities		
Repayments of lease liabilities	(13)	(8)
Dividends paid	(2,026)	(1,753)
Other, net	(19)	(14)
Net cash provided by (used in) financing activities	(2,060)	(1,775)
Effect of exchange rate change on cash and cash equivalents	75	63
Net increase (decrease) in cash and cash equivalents	1,939	156
Cash and cash equivalents at beginning of period	31,700	35,575
Cash and cash equivalents at end of period	33,640	35,732