

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 14, 2024

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 03-5544-9102
 Inquiries: Toru Iwadate
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	5,976	7.7	800	(16.4)	813	(14.4)	501	(18.4)
Nine months ended December 31, 2022	5,549	30.8	957	50.4	950	43.9	614	47.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	94.06	91.69
Nine months ended December 31, 2022	121.52	112.53

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	5,013	3,522	70.0
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	–	0.00	–		
Year ending March 31, 2024 (Forecast)				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	8,100	6.6	1,050	(18.1)	1,065	(15.6)	650	(19.8)	121.38

4. Notes

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

Nine months ended December 31, 2023	5,327,722 shares	Nine months ended December 31, 2022	5,052,819 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,265,070	1,926,247
Notes and accounts receivable - trade, and contract assets	714,070	758,457
Merchandise and finished goods	91,600	87,483
Work in process	203	2,366
Raw materials and supplies	3,275	4,208
Other	238,198	510,963
Allowance for doubtful accounts	(3,186)	(4,208)
Total current assets	3,309,231	3,285,518
Non-current assets		
Property, plant and equipment	316,274	485,796
Intangible assets		
Goodwill	23,051	26,581
Other	221,810	285,697
Total intangible assets	244,861	312,278
Investments and other assets		
Investment securities	196,378	691,754
Other	636,049	239,189
Allowance for doubtful accounts	(1,342)	(1,496)
Total investments and other assets	831,085	929,448
Total non-current assets	1,392,220	1,727,524
Deferred assets	822	298
Total assets	4,702,275	5,013,341

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	443,076	463,630
Current portion of bonds payable	50,000	30,000
Current portion of long-term borrowings	86,300	92,679
Income taxes payable	310,006	98,752
Provision for point card certificates	74,969	83,336
Provision for bonuses	9,825	19,471
Other	378,925	453,730
Total current liabilities	1,353,103	1,241,601
Non-current liabilities		
Bonds payable	30,000	10,000
Long-term borrowings	60,368	88,239
Asset retirement obligations	23,151	38,774
Other	56,986	111,910
Total non-current liabilities	170,505	248,923
Total liabilities	1,523,608	1,490,524
Net assets		
Shareholders' equity		
Share capital	645,106	645,106
Capital surplus	584,126	584,126
Retained earnings	1,907,692	2,253,082
Treasury shares	(316)	(316)
Total shareholders' equity	3,136,609	3,481,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,396	25,973
Total accumulated other comprehensive income	36,396	25,973
Share acquisition rights	5,660	14,844
Total net assets	3,178,666	3,522,817
Total liabilities and net assets	4,702,275	5,013,341

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	5,549,225	5,976,588
Cost of sales	2,695,673	3,021,224
Gross profit	2,853,552	2,955,363
Selling, general and administrative expenses	1,895,656	2,154,760
Operating profit	957,895	800,603
Non-operating income		
Interest income	8	102
Dividend income	5	5
Rental income from buildings	5,416	5,416
Gain on sale of non-current assets	6,038	5,190
Insurance claim income	2,601	3,266
Other	2,002	4,050
Total non-operating income	16,073	18,032
Non-operating expenses		
Interest expenses	1,413	925
Share of loss of entities accounted for using equity method	15,883	–
Rental costs	1,688	1,688
Loss on cancellation of leases	1,278	70
Loss on accidents	2,077	907
Other	1,175	1,187
Total non-operating expenses	23,517	4,778
Ordinary profit	950,451	813,857
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	785
Total extraordinary income	–	785
Extraordinary losses		
Impairment losses	5,973	2,320
Total extraordinary losses	5,973	2,320
Profit before income taxes	944,477	812,323
Income taxes - current	337,874	316,778
Income taxes - deferred	(7,418)	(5,572)
Total income taxes	330,456	311,206
Profit	614,021	501,117
Profit attributable to owners of parent	614,021	501,117

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	614,021	501,117
Other comprehensive income		
Valuation difference on available-for-sale securities	16,547	(10,422)
Total other comprehensive income	16,547	(10,422)
Comprehensive income	630,568	490,694
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	630,568	490,694