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Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 [Japanese GAAP]

October 28, 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

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Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: November 30, 2022

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, 2022 (April 01, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	33,035	1.8	3,710	(25.8)	3,785	(25.1)	1,708	(50.4)
September 30, 2021	32,456	(2.3)	4,998	1.6	5,055	2.1	3,445	2.0

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 1,487 million [(52.0) %]
Six months ended September 30, 2021: ¥ 3,095 million [(35.6) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	31.18	31.05
September 30, 2021	62.90	62.62

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	57,620	44,039	75.8
March 31, 2022	57,531	44,579	76.8

(Reference) Equity: As of September 30, 2022: ¥ 43,648 million
As of March 31, 2022: ¥ 44,185 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, 2022	-	13.00	-	37.00	50.00
Fiscal year ending March 31, 2023	-	18.00			
Fiscal year ending March 31, 2023 (Forecast)			-	27.00	45.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	71,000	9.9	10,500	4.0	10,500	3.0	6,100	(11.8)	111.35

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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):

September 30, 2022: 57,600,000 shares

March 31, 2022: 57,600,000 shares

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

September 30, 2022: 2,813,118 shares

March 31, 2022: 2,819,167 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2021: 54,772,225 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	31,700	33,640
Notes and accounts receivable - trade, and contract assets	10,914	9,836
Inventories	86	143
Other	2,472	2,358
Allowance for doubtful accounts	(7)	(3)
Total current assets	45,166	45,974
Non-current assets		
Property, plant and equipment	1,259	1,137
Intangible assets		
Software	1,894	2,030
Goodwill	1,169	449
Other	34	33
Total intangible assets	3,097	2,513
Investments and other assets		
Investments and other assets	8,008	7,996
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	8,007	7,995
Total non-current assets	12,364	11,645
Total assets	57,531	57,620
Liabilities		
Current liabilities		
Accounts payable - trade	4,377	5,070
Income taxes payable	1,298	1,105
Provision for bonuses	1,336	1,062
Other provisions	23	20
Other	5,396	5,810
Total current liabilities	12,432	13,070
Non-current liabilities		
Retirement benefit liability	48	61
Other provisions	52	52
Other	418	396
Total non-current liabilities	519	510
Total liabilities	12,951	13,580
Net assets		
Shareholders' equity		
Share capital	1,590	1,590
Capital surplus	1,480	1,484
Retained earnings	41,402	41,083
Treasury shares	(792)	(791)
Total shareholders' equity	43,680	43,366
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	512	28
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	(6)	253
Total accumulated other comprehensive income	505	282

(Million yen)

	As of March 31,2022	As of September 30,2022
Share acquisition rights	220	215
Non-controlling interests	173	175
Total net assets	44,579	44,039
Total liabilities and net assets	57,531	57,620

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	32,456	33,035
Cost of sales	16,770	17,557
Gross profit	15,685	15,477
Selling, general and administrative expenses	10,687	11,767
Operating profit	4,998	3,710
Non-operating income		
Interest and dividend income	52	85
Share of profit of entities accounted for using equity method	7	-
Other	2	4
Total non-operating income	62	89
Non-operating expenses		
Interest expenses	0	1
Foreign exchange losses	1	2
Partnership loss	0	9
Loss on extinguishment share-based compensation expenses	3	-
Other	0	0
Total non-operating expenses	6	13
Ordinary profit	5,055	3,785
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Impairment losses	-	719
Loss on retirement of non-current assets	0	2
Loss on valuation of investment securities	44	118
Total extraordinary losses	44	840
Profit before income taxes	5,011	2,945
Income taxes	1,616	1,238
Profit	3,394	1,707
Loss attributable to non-controlling interests	(50)	(0)
Profit attributable to owners of parent	3,445	1,708

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	3,394	1,707
Other comprehensive income		
Valuation difference on available-for-sale securities	(374)	(483)
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	74	262
Total other comprehensive income	(299)	(220)
Comprehensive income	3,095	1,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,142	1,485
Comprehensive income attributable to non-controlling interests	(47)	1

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	5,011	2,945
Depreciation	669	491
Share-based payment expenses	18	17
Impairment losses	-	719
Amortization of goodwill	-	81
Increase (decrease) in provisions	(366)	(269)
Interest and dividend income	(52)	(85)
Interest expenses	0	1
Loss (gain) on valuation of investment securities	44	118
Decrease (increase) in trade receivables and contract assets	2,154	1,084
Decrease (increase) in inventories	(40)	(56)
Increase (decrease) in trade payables	(367)	693
Other, net	(815)	318
Subtotal	6,253	6,060
Interest and dividends received	56	79
Interest paid	(0)	(1)
Income taxes paid	(3,174)	(2,051)
Income taxes refund	-	221
Net cash provided by (used in) operating activities	3,135	4,308
Cash flows from investing activities		
Purchase of property, plant and equipment	(87)	(66)
Purchase of intangible assets	(405)	(515)
Purchase of investment securities	(405)	(499)
Proceeds from refund of guarantee deposits	1	745
Other, net	(1)	(48)
Net cash provided by (used in) investing activities	(898)	(385)
Cash flows from financing activities		
Repayments of lease liabilities	(23)	(13)
Dividends paid	(1,478)	(2,026)
Other, net	28	(19)
Net cash provided by (used in) financing activities	(1,474)	(2,060)
Effect of exchange rate change on cash and cash equivalents	13	75
Net increase (decrease) in cash and cash equivalents	775	1,939
Cash and cash equivalents at beginning of period	29,956	31,700
Cash and cash equivalents at end of period	30,732	33,640