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

January 31, 2023

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: February 09, 2023

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, 2022 (April 01, 2022 to December 31, 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	%
Nine months ended December 31, 2022	50,388	6.1	5,817	(17.8)	5,905	(17.7)	1,868	(61.7)
December 31, 2021	47,481	(2.9)	7,073	(0.5)	7,176	(0.5)	4,884	(0.8)

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 2,162 million [(44.9) %]
 Nine months ended December 31, 2021: ¥ 3,926 million [(37.5) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	34.11	33.96
December 31, 2021	89.17	88.78

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	57,088	43,728	75.9
March 31, 2022	57,531	44,579	76.8

(Reference) Equity: As of December 31, 2022: ¥ 43,350 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)				32.00	50.00

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

(Note) Breakdown of the 3rd 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	9,500	(5.9)	9,500	(6.8)	4,300	(37.8)	78.49

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

* Notes:

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

December 31, 2022: 57,600,000 shares

March 31, 2022: 57,600,000 shares

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

December 31, 2022: 2,811,962 shares

March 31, 2022: 2,819,167 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 54,784,333 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	31,700	33,888
Notes and accounts receivable - trade, and contract assets	10,914	9,622
Inventories	86	260
Other	2,472	2,268
Allowance for doubtful accounts	(7)	(3)
Total current assets	45,166	46,036
Non-current assets		
Property, plant and equipment	1,259	1,142
Intangible assets		
Software	1,894	2,147
Goodwill	1,169	434
Other	34	33
Total intangible assets	3,097	2,615
Investments and other assets		
Investments and other assets	8,008	7,295
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	8,007	7,294
Total non-current assets	12,364	11,052
Total assets	57,531	57,088
Liabilities		
Current liabilities		
Accounts payable - trade	4,377	5,039
Income taxes payable	1,298	660
Provision for bonuses	1,336	542
Other provisions	23	27
Other	5,396	6,584
Total current liabilities	12,432	12,854
Non-current liabilities		
Retirement benefit liability	48	65
Other provisions	52	52
Other	418	386
Total non-current liabilities	519	504
Total liabilities	12,951	13,359
Net assets		
Shareholders' equity		
Share capital	1,590	1,590
Capital surplus	1,480	1,484
Retained earnings	41,402	40,257
Treasury shares	(792)	(790)
Total shareholders' equity	43,680	42,541
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	512	548
Foreign currency translation adjustment	(6)	260
Total accumulated other comprehensive income	505	809
Share acquisition rights	220	215

(Million yen)

	As of March 31,2022	As of December 31,2022
Non-controlling interests	173	162
Total net assets	44,579	43,728
Total liabilities and net assets	57,531	57,088

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 31,2021	For the nine months ended December 31,2022
Net sales	47,481	50,388
Cost of sales	24,570	26,766
Gross profit	22,911	23,621
Selling, general and administrative expenses	15,838	17,804
Operating profit	7,073	5,817
Non-operating income		
Interest and dividend income	90	118
Share of profit of entities accounted for using equity method	11	-
Partnership gain	3	-
Other	3	6
Total non-operating income	109	124
Non-operating expenses		
Interest expenses	0	1
Foreign exchange losses	2	2
Partnership loss	-	32
Loss on extinguishment share-based compensation expenses	3	-
Other	0	0
Total non-operating expenses	6	36
Ordinary profit	7,176	5,905
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Impairment losses	-	728
Loss on retirement of non-current assets	10	2
Loss on valuation of investment securities	44	1,368
Loss on sale of shares of subsidiaries and associates	46	-
Other	-	1
Total extraordinary losses	101	2,100
Profit before income taxes	7,075	3,804
Income taxes	2,258	1,946
Profit	4,817	1,858
Loss attributable to non-controlling interests	(66)	(9)
Profit attributable to owners of parent	4,884	1,868

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	4,817	1,858
Other comprehensive income		
Valuation difference on available-for-sale securities	(979)	36
Foreign currency translation adjustment	88	266
Total other comprehensive income	(891)	303
Comprehensive income	3,926	2,162
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,992	2,172
Comprehensive income attributable to non-controlling interests	(66)	(10)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Cash flows from operating activities		
Profit before income taxes	7,075	3,804
Depreciation	1,059	710
Share-based payment expenses	27	26
Impairment losses	-	728
Amortization of goodwill	-	96
Increase (decrease) in provisions	(875)	(777)
Interest and dividend income	(90)	(118)
Interest expenses	0	1
Loss (gain) on valuation of investment securities	44	1,368
Loss (gain) on sale of shares of subsidiaries and associates	46	-
Decrease (increase) in trade receivables and contract assets	3,168	1,295
Decrease (increase) in inventories	(154)	(174)
Increase (decrease) in trade payables	(801)	662
Increase (decrease) in accounts payable - other	(60)	654
Other, net	(450)	585
Subtotal	8,988	8,864
Interest and dividends received	93	113
Interest paid	(0)	(1)
Income taxes paid	(4,639)	(3,093)
Income taxes refund	-	225
Net cash provided by (used in) operating activities	4,442	6,107
Cash flows from investing activities		
Purchase of property, plant and equipment	(702)	(129)
Purchase of intangible assets	(679)	(796)
Purchase of investment securities	(430)	(590)
Proceeds from refund of guarantee deposits	2	771
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	0	(139)
Net cash provided by (used in) investing activities	(2,263)	(884)
Cash flows from financing activities		
Repayments of lease liabilities	(35)	(18)
Dividends paid	(2,190)	(3,013)
Other, net	26	(30)
Net cash provided by (used in) financing activities	(2,199)	(3,062)
Effect of exchange rate change on cash and cash equivalents	10	26
Net increase (decrease) in cash and cash equivalents	(10)	2,187
Cash and cash equivalents at beginning of period	29,956	31,700
Cash and cash equivalents at end of period	29,945	33,888